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Thursday, April 7, 1960
Chaitra 18, 1882 (Saka)

# LOK SABHA DEBATES

**Tenth Session**
**(Second Lok Sabha)**

**LOK SABHA SECRETARIAT**

**New Delhi**

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LOK SABHA

*Thursday, April 7, 1960/Chaitra 18, 1882 (Saka)*

*The Lok Sabha met at Eleven of the Clock.*

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

**Expansion of Burmah-Shell Oil Company**

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*1324. **Shri R. C. Majhi:**
**Shri Subodh Hansda:**
**Shri S. C. Samanta:**
**Shrimati Mafida Ahmed:**
**Shri P. G. Deb:**
**Shri Aurobindo Ghosal:**
**Shri B. Das Gupta:**
**Dr. Ram Subhag Singh:**

Will the Minister of **Steel, Mines and Fuel** be pleased to state:

(a) whether it is a fact that Burmah Shell Oil Company has submitted a proposal to expand its refineries;

(b) whether this proposal has been accepted by Government; and

(c) if so, what is the total estimated cost of expansion of this project?

**The Minister of Mines and Oil (Shri K. D. Malaviya):** (a) Yes Sir.

(b) Under examination.

(c) Rs. 11·58 crores.

**Shri R. C. Majhi:** May I know whether the whole cost will be borne by the Burmah Shell Oil Company or whether they have requested that some portion of the cost may be borne by the Central Government?



**Shri K. D. Malaviya:** The proposal has been made by the Burmah Shell refineries to expand their capacity. I cannot say anything more than that just now. As I said, the matter is under consideration.

**Shri B. Das Gupta:** May I know whether the Burmah Shell Oil Company gave a proposal to expand their refineries, that is, to start another refinery in West Bengal in collaboration with the Government of West Bengal?

**Shri K. D. Malaviya:** No, there is no such proposal.

**Shrimati Mafida Ahmed:** May I know the present production capacity of Burmah Shell and the increased capacity proposed by their expansion programme?

**Shri K. D. Malaviya:** The present capacity of the Bombay refinery is about 2·6 million tons (proceeding of crude oil). Their proposal is to expand these 2·6 million tons to about 4 million tons, or to be exact, to 3·97 million tons per annum.

**Dr. Ram Subhag Singh:** May I know the nature of the expansion programme which has been proposed by the Burmah Shell Oil Company and also whether Government have finalised their scheme regarding oil expansion under the private sector, and whether the two are conforming to each other?

**Shri K. D. Malaviya:** As the proposals have emanated from the Burmah Shell refineries, Government are finding it difficult to accept them. The proposals are elaborate and they deal with the specific expansion of many petroleum products which come under the purview of the existing Burmah Shell Refineries. As I said,

we are finding it difficult to accept all the suggestions, and, so, they are under consideration.

**Shri Aurobindo Ghosal:** May I know whether the Burmah Shell Oil Company has proposed some separate refinery or the extension of the present project?

**Shri K. D. Malaviya:** The suggestion is to expand the existing installations at Bombay and to add some small units to produce one or two more products in the same locality.

**Shri Hem Barua:** May I know whether the annual saving in foreign exchange that is likely to accrue out of this proposed expansion of the Burmah Shell refinery has been computed, and if so, what it is likely to be?

**Shri K. D. Malaviya:** They have produced their own figures in regard to the saving in foreign exchange, which may or may not be acceptable to us. I am, therefore, not in a position to say more about it, except that the proposals, as they appear to us, present certain difficulties.

**Shri Hem Barua:** What is their computation?

**Shri K. D. Malaviya:** According to their computation, they think that during the Third Plan period, there can be a net saving of about Rs. 13 crores in foreign exchange.

**Shri Narayanankutty Menon:** May I know whether it is a fact that a medium-sized refinery is more economical, in view of its vast possibilities in India, and if so, whether Government have taken into consideration that aspect also? Have they also taken into consideration the fact that the production pattern of the existing Burmah Shell Refinery is not at all suitable for the consumption pattern in India, while considering the proposal of the Burmah Shell refinery for expansion?

**Shri K. D. Malaviya:** In its generality, the production pattern from the existing refineries do present certain difficulties, so far as consumption of those products are concerned. These are complicated technical problems which are receiving the consideration of Government as well as the oil refineries. But Government are also considering the propriety of minimising the size of the existing refineries with a view to easing the transportation and communication problems.

**Shri S. C. Samanta:** May I know know when this proposal came before Government and whether in the proposal there was any mention of the share of the cost to be borne by the Central Government?

**Shri K. D. Malaviya:** No, the proposals which have been made are on the understanding that the terms of the agreement, that is, the old agreement of 15th December, 1951 shall apply to this expanded refinery also, that is, we are asked to consider this proposal under the old arrangements.

**Shri Ram Krishan Gupta:** May I know whether Government have received similar requests from other oil companies?

**Shri K. D. Malaviya:** I heard something about such proposals, but I cannot say that we have formally received such proposals.

**Shri P. R. Patel:** In view of the fact that oil has been struck in five wells in Cambay and we may have to put up a refinery there, may I know the reasons why this refinery will be allowed to be expanded?

**Shri K. D. Malaviya:** I have not said that we are allowing this refinery to expand. We are only saying that the proposal made by the Burmah Shell Oil Company is under consideration of Government.

**Shri Raghunath Singh:** May I know whether while sanctioning the expansion of the refinery, the hon. Minister

will care to press the Burmah Shell Oil Company to take at least 50 per cent. of the oil in Indian tankers?

**Shri K. D. Malaviya:** That is a rather difficult question on which Government cannot commit themselves.

**Shrimati Mafida Ahmed:** May I know whether Government have finalised the pattern of production for the two State refineries at Gauhati and Barauni?

**Shri K. D. Malaviya:** Yes.

**सेठ अचल सिंह :** क्या मंत्री महोदय कृपा कर के यह बतलायेंगे कि जो बर्मा शैल आयल कम्पनी की रिफाइनरीज का विस्तार किया जा रहा है तो इस से गवर्नमेंट और पबलिक का क्या फायदा होगा ?

**श्री के० डी० मालवीय :** अभी बर्मा शैल आयल कम्पनी का जो विस्तार का प्रस्ताव है उस से जाहिर है कि अगर यहां पर रिफाइनरीज लग जायेंगी तो जो बाहर से हम सामान खरीदते हैं और फौरेन एक्सचेंज भेजते हैं वह शायद बच जायगा ।

**Shri Ramanathan Chettiar:** May I know the net foreign exchange that is likely to be saved after the expansion of the refineries by Burmah Shell and the other oil companies?

**Mr. Speaker:** That was what was asked earlier.

**Shri Ramanathan Chettiar:** I want to know what the saving will be after the expansion.

**Mr. Speaker:** I do not know. It is the same thing which is asked after hair-spliting.

**Shrimati Renuka Ray:** The hon. Minister stated in reply to a question that the present basis of sharing of costs between Government and the Burmah Shells has been suggested for the expanded programme. May I know what that present basis is? Is it 25 per cent., or else, what is Government's share now?

**Shri K. D. Malaviya:** I did not say that there was any present basis of participation between the Burmah Shells and Government, so far as the refinery is concerned. What I know is that there is the agreement between the Government and the Burmah Shell refinery entered into in 1951, according to which, they are the sole masters of the Bombay refinery, which position it is difficult for us to accept.

**Mr. Speaker:** Next question.

**Shrimati Mafida Ahmed:** May I ask one question more?

**Mr. Speaker:** I have already allowed her to ask three questions.

**Shrimati Mafida Ahmed:** No, only two.

**Mr. Speaker:** All right. She may ask one more question.

**Shrimati Mafida Ahmed:** May I know the number of Indians employed by Burmah-Shell Refineries?

**Shri K. D. Malaviya:** I have not go that figure with me.

**Ordnance Factory, Khamaria**

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*1325. { **Shri Ram Krishan Gupta:** **Shri D. C. Sharma:**

Will the Minister of **Defence** be pleased to refer to the reply given to Starred Question No. 1125 on the 22nd December, 1959 and state:

(a) the further progress made in completing the investigations relating to losses and deficiencies found in the Stores of Ordnance Factory, Khamaria; and

(b) is so, the result thereof?

**The Parliamentary Secretary to the Minister of Defence (Shri Fatehsinhrao Gaekwad):** (a) and (b). A statement is laid on the Table of the Lok Sabha.

STATEMENT

(a) and (b). In the statement laid on the Table of the House on 22nd December, 1959 in reply to Starred Question No. 1125, it was stated that:

(i) out of the alleged loss of Rs. 80·91 lakhs, the position in regard to stores of the value of Rs. 24·28 lakhs remained to be accounted for; and

(ii) that in respect of the remainder of the value of Rs. 62·81 lakhs, which had not then been investigated a special team of officers was to be appointed to muster the items involved, on locations.

Further scrutiny of the above categories has been carried out by the Director General Ordnance Factories. It is found that the figure of Rs. 80·91 lakhs, alleged to be the value of losses of the first category, includes stores of the value of Rs. 66.23 lakhs, which represents items which have either become obsolete or which require no further action, as they relate to items which are regularised. The balance of Rs. 14·68 lakhs includes an amount of Rs. 9·37 lakhs representing the value of stores which have undergone change in condition while in storage and Rs. 1·61 lakhs as representing the value of certain stores which require accounting adjustments. The real loss would, therefore, be an amount of less than Rs. 4 lakhs as against Rs. 80·91 lakhs as originally supposed and alleged. The above figures are being further examined by the Accounts authorities.

The losses falling under the second category have been studied by a team consisting of a Factory representative and an Accounts representative. So far they have examined documents relating to items of the value of more than 2/3rds of the stores covered by these alleged losses. It appears that in most cases there were no real losses or no further action was required as the stores have either been used in production or exist physically but are not now usable.

**Shri Ram Krishan Gupta:** From the statement, I find that it appears that in most cases there were no real losses or further action was required as the stores had either been used in production or existed physically but were not now usable. May I know whether they were usable when they were purchased?

**The Minister of Defence (Shri Krishna Menon):** Of course, they were usable when they were purchased in war-time. But if I may so submit, this inquiry takes a very considerable amount of time. The present question relates to what we promised to tell the House last time with regard to two categories, in the whole of these stores. Out of these, Rs. 80 lakhs cover one and Rs. 60 lakhs cover the other. Regarding the category of Rs. 80 lakhs, we have checked up all the stores except stores worth about Rs. 25 lakhs. Yesterday I was informed that the audited figures show even smaller losses than what they had anticipated. I think it would be in the interest of the House if we wait till the next session, when the inquiry will be completed and I undertake to lay all the information on the Table of the House.

**Mr. Speaker:** This will stand over till the next session.

**Shri D. C. Sharma:** In the statement, I find that out of items of the value of about Rs. 80 lakhs, stores worth Rs. 66·23 lakhs have become obsolete or require no further action. May I know the value of items which have become obsolete out of the total value of Rs. 66·23 lakhs?

**Shri Krishna Menon:** The same statement points out that they had to be taken out on location and examined individually. 'Obsolete' in this sense means obsolete for the purposes for which they were originally intended. Now in the present circumstances of production and requirements of the Defence forces, they have got to look into the question whether they can be used for any other purpose. As I told the House

last time, from the initial answer to the question as it was asked, losses were taken by the House to be physical losses. They were losses in book value. That was why I explained....

**Mr. Speaker:** Hon. Members may take it up again next session.

**Shri Hem Barua:** I have to ask a supplementary.

**Mr. Speaker:** What is the good of asking anything now when he says that he will place a full statement on the Table of the House next time?

**Shri Tangamani:** Even in regard to the first category, it is now indicated that Rs. 46 lakhs worth of goods....

**Mr. Speaker:** Order, order. This question is coming up every session.

**Shri Hem Barua:** On a previous occasion, the Defence Minister said that three cases were due to some misconduct of some officers and that this came out in the process of investigation. I want to know what steps have been taken against those officers?

**Mr. Speaker:** I shall bear that in mind when questions are allowed next time. Let us dispose of this once for all. It is coming up like King Charles' head every session.

**Shri Hem Barua:** On a point of information. Last time, you said that it should be submitted to the Public Accounts Committee. May I know whether it has been submitted to the Committee?

**Mr. Speaker:** Have all these papers been sent to the Public Accounts Committee?

**Shri Krishna Menon:** No, Sir. We have ourselves not examined the whole case. Disciplinary action has been taken or initiated in regard to certain persons in respect of whom we have information from the Special Police Establishment. Therefore, there is no laxity in the pursuit of this investigation. If it is done in any way that is not fair, then there will be more difficulty. This goes back to stocks immediately after the war in respect of certain types of ammunitions and things of that character. Apparently, there has been inadequate investigation earlier. We would like to complete the full investigation and then proceed further.

**Mr. Speaker** Next question.

**Beneficiation of Minerals**

*1328. **Shri S. C. Samanta:**
**Shri Subodh Hansda:**

Will the Minister of **Steel, Mines and Fuel** be pleased to state:

(a) whether the Sub-Committee set up to investigate and recommend as to what incentive and facilities should be given to encourage mine-owners to beneficiate minerals, has submitted its report;

(b) if so, what are the main recommendations; and

(c) whether a copy of the report will be laid on the Table?

**The Parliamentary Secretary to the Minister of Steel, Mines and Fuel (Shri Gajendra Prasad Sinha):** (a) Yes, Sir.

(b) and (c). Copies of the report of the Mineral Beneficiation Committee are available in the Parliament Library.

**Shri S. C. Samanta:** May I know whether before the submission of this Report, any mine-owners came forward to ask for facilities for beneficiation?

**Shri Gajendra Prasad Sinha:** Actually, the Committee went to different places, and there has been request from the mine-owners not for a beneficiation plant but for reduction of the cess.

**Shri S. C. Samanta:** May I know what facilities have been recommended by the Committee?

**Shri Gajendra Prasad Sinha:** The Committee has made recommendations on six or seven items: They are:

(1) A separate National Ore Dressing Laboratory should be set up by the Government immediately to carry on research, prepare designs and costing of beneficiation plants and to give technical advice;

(2) Ore dressing curricula in Universities and other educational institutions should be expanded....

**Mr. Speaker:** He may place it on the Table of the House

**Shri P. K. Deo:** May I know if the National Metallurgical Laboratory at Jamshedpur has developed a new process for the beneficiation of manganese ore to eliminate phosphorus as due to the presence of phosphorus we are losing lots of foreign exchange? If so, have Government given instructions to the mine-owners to take up that process for the beneficiation of manganese ores?

**The Minister of Mines and Oil (Shri K. D. Malaviya):** The National Metallurgical Laboratory has also successfully attempted to carry on experiments on the beneficiation of manganese. But I do not know whether the Indian Bureau of Mines is advising the mine-owners to make use of that. If the hon. Member gives me sufficient notice, I will try to answer that.

**Shri P. K. Deo:** What is the cost of this new process of beneficiation?

**Shri K. D. Malaviya:** That question has been handled by my hon. colleague, Shri Humayun Kabir. So I cannot answer it just now.

**Shri Hem Barua:** In view of the fact that this Report was submitted some three months ago, may I know what action is proposed to be taken on it or whether any action has already been taken?

**Shri K. D. Malaviya:** It is under consideration of Government. We received it only in January. It is receiving our urgent attention and we hope we shall come to certain conclusions as regards the recommendations.

**Shri S. C. Samanta:** May I know what is the reaction of the Mine-owners' Association?

**Shri K. D. Malaviya:** I do not know yet what the reaction of the Mine-owners' Association is.

**Accumulation of Coal at Pitheads**

*1327. **Shri P. K. Deo:** Will the Minister of **Steel, Mines and Fuel** be pleased to state:

(a) whether Government are aware of the large accumulation of coal at the pitheads due to insufficient wagons;

(b) the steps taken by Government; and

(c) the present position?

**The Parliamentary Secretary to the Minister of Steel, Mines and Fuel (Shri Gajendra Prasad Sinha):** (a) Pit-head stocks are no higher than in the last 4 years. At the end of 1959, they amounted to 2·69 million tons against 2·76, 3·28 and 2·76 million tons respectively in 1956, 1957 and 1958.

(b) Permits for movement of coal by road are issued liberally and consumers are encouraged to build up stocks during the slack season for rail transport.

(c) Pit-head stocks at the end of January, 1960 amounted to 2·70 million tons.

**Shri P. K. Deo:** May I know if some factories in U.P. and the Punjab were closed due to shortage of coal?

**The Minister of Steel, Mines and Fuel (Sardar Swaran Singh):** There was some coal shortage in these areas on account of movement difficulties. But the hon. Member must have

noticed a news item this morning saying that coal is being moved and most of the difficulties are disappearing.

**Shri P. K. Deo:** In view of the transport bottleneck, are Government considering giving new licences for building more wagons under the Third Five Year Plan and at the same time for expanding the production capacity of the existing wagon building factories in the country?

**Sardar Swaran Singh:** This suggestion will be noted by my hon. colleague, the Minister of Railways.

**Shri Braj Raj Singh:** May I know whether in the movement of coal there has been some difficulty put by the Coal Controller at Calcutta and whether it is not a fact that even the Railways had to face some difficulty and certain train services had to be suspended and they had to take away certain wagons allotted to private parties in Allahabad and Mogalsarai?

**Sardar Swaran Singh:** With regard to the first part of the question, no difficulty was created by the Coal Controller. With regard to the second and third parts, there were shortages and there was some difficulty even in supplying coal to the railways, but by mutual discussion, that difficulty has, to a very large extent, been resolved.

**Shri Tangamani:** The Parliamentary Secretary has stated that the accumulation now is 2·69 million tons which is not very different from what it was in the previous years. I would like to know what will be the normal accumulation of coal in pit-heads in view of the increase in the demand for coal.

**Sardar Swaran Singh:** That figure has already been given. It has been of the order of from 2 million to 3 million tons; and that continues to be the state of affairs even now.

**Shri Tangamani:** I want to know what will be the normal stock in view of the increasing demand for coal and the increasing need for removing this coal from the pit-heads.

**Mr. Speaker:** What the hon. Member evidently means is this. He expects some kind of stock at the pitheads. What will be permanent stock which will remain there to meet all emergencies and whether the current demands will be met by the surplus over the minimum stocks?

**Sardar Swaran Singh:** The normal pit-head accumulation is of the order of 2 million to 3 million tons. If I may add, this may meet cases of emergency. But, primarily, it is not there so much to meet emergencies. The normal accumulation has to be there so that as and when the wagons are supplied they could be immediately loaded. At each pit-head the quantity may be small, but because a large number of mines are involved, the small things when added up pile up to this figure.

**Shri Braj Raj Singh:** The hon. Parliamentary Secretary said that at the end of January, perhaps, there were 2·7 Million tons of coal available at the pit-heads. And, after that we have been feeling difficulty with regard to the railways and industries also. May I know who was responsible? Were the railways not able to supply the wagons to remove the coal from the pit-heads or were the permits not being given or was not coal being allowed by the Coal Controller or the Iron and Steel Ministry to be moved from the pit-heads?

**Sardar Swaran Singh:** No one was particularly responsible. But, when the overall availability of wagons to handle the entire goods traffic of the country is taken into consideration, there are certain allocations which have to be made for the movement of coal. The railways have been stepping up that. There had been some shortfall, particularly, during the bad rainy season this year. Therefore, the reserves at the consumption centres were greatly denuded and when the supplies were stepped up, the position is easing.

**Shri T. B. Vittal Rao:** May I know whether Government have thoroughly examined this allotment to the various factories and, thermal stations by the Coal Controller because we find that for thermal plant at Basin Bridge, Madras, slack coal is sent from Bihar and Bengal instead of from the nearby coalfields?

**Sardar Swaran Singh:** Every effort has been made to make the allocations in such a manner that the strain on transport is reduced. But, if there is any particular instance to the knowledge of the hon. Member where he feels that the transport facilities were not kept fully in view, I am prepared to examine that specific instance. But, I agree broadly with the implication of his question that the allocation should be so made that the transport facilities are not strained beyond a point.

**Replacement of Sales Tax by Excise Duties**

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*1328. { **Shri Ram Krishan Gupta:** **Shri Ajit Singh Sarhadi:**

Will the Minister of **Finance** be pleased to refer to the reply given to Starred Question No. 217 on the 23rd November, 1959 and state at what stage is the question of replacement of sales tax by additional excise duties on certain selected commodities?

**The Deputy Minister of Finance (Shrimati Tarkeshwari Sinha):** The question of replacement of sales taxes by additional excise duties on certain selected commodities is under consideration in consultation with the State Governments.

**Shri Ram Krishan Gupta:** May I Know whether the State Governments have replied; and, if so, may I know what is their reaction?

**Shrimati Tarkeshwari Sinha:** The whole thing is under consideration. Though it is a fact that some of the State Governments have replied and have expressed their views, we have not been able to take any final decision.

**Shri Jinachandran:** May I know whether it is a fact that the Mysore Government opposed the proposal to levy excise duty on coffee on the plea that the revenues will be affected?

**The Minister of Finance (Shri Morarji Desai):** It is difficult to say which Government did this and which Government did that. But, in the whole question, what has been done is that a sub-committee has been appointed with some of the State Chief Ministers and Finance Ministers so that they can go into the question and make recommendations. And, that report has not yet been received.

**Shri Jinachandran:** Is it not a fact that the coffee trade wanted to have excise duty instead of sales tax?

**Shri Morarji Desai:** Many people prefer excise duty instead of sales tax. But until the States agree, it is not possible to convert it.

**Shrimati Renuka Ray:** Will the hon. Minister kindly state what is the general trend of the replies of the State Governments? Are they in favour of this or do they feel that because of their resources position, the present sales tax should continue?

**Shri Morarji Desai:** The majority are in favour; the minority are against. But the minority are the more powerful sections.

**Shri Thanu Pillai:** May I know whether the list of commodities referred to the sub-committee is final or whether other commodities will be included?

**Shri Morarji Desai:** Whatever commodity the sub-committee will recommend, we will agree. And, I should like them to go further and beyond that afterwards.

**सेठ अचल सिंह :** क्या मंत्री महोदय यह बताने की कृपा करेंगे कि सेल्ज टैक्स की वजह से जो चोरियां होती हैं, वे एक्साइज ड्यूटी लगने से बन्द हो जायेंगी, तो क्या

सारी स्टेट्स यह पसन्द नहीं करेंगी कि सेल्ज़ टैक्स के बजाये एक्साइज़ ड्यूटी लगा दी जाये ?

**श्री मोरारजी देसाई :** स्टेटस चोरियां बन्द करना तो सन्द करती हैं लेकिन यह टैक्स बदलना पसन्द नहीं करतीं ।

**Shri S. M. Banerjee:** I want to know when the sub-committee is likely to finalise this and whether this is the only item under review or whether there are other aspects of the sales tax that are being considered.

**Shri Morarji Desai:** Several items—almost all the items—are under review of the sub-committee and I do not know when the report will be received.

**Shri Hem Barua:** In view of the fact that delay has been caused in the replacement of the sales tax by excise duties, may I know whether there has been any tax evasion in the meanwhile?

**Shri Morarji Desai:** There is tax evasion; but, it cannot be helped.

**Shri Hem Barua:** I want to know whether because of this delay there has been any tax evasion.

**Shri Morarji Desai:** This particular delay has not led to any tax evasion.

**Shri Ram Krishan Gupta:** If this proposal is accepted, what will be its effect on tax evasion?

**Shri Morarji Desai:** Tax evasion will disappear in this field.

## दिल्ली में भूमि का मूल्य

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*१३२९. { श्री राम कृष्ण गुप्त :
श्री नवल प्रभाकर :

क्या गृह-कार्य मंत्री २२ दिसम्बर १९५९ के अतारांकित प्रश्न संख्या १९३४ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) क्या सरकार ने दिल्ली में मकान बनाने योग्य भूमि के बढ़ते हुए मूल्यों के बारे में प्रतिवेदन पर विचार किया है; और

(ख) यदि हां, तो इस सम्बन्ध में क्या कार्यवाही की गई है ?

**गृह-कार्य मंत्री (श्री गो० ब० पंत) :** (क) और (ख). रिपोर्ट अभी विचाराधीन है, परन्तु इस बीच में भूमि का मूल्य नहीं बढ़ेगा, क्योंकि दिल्ली के चारों ओर की लगभग ३४,००० एकड़ भूमि के सम्बन्ध में भूमि अवाप्ति अधिनियम १८९४ की धारा ४ के अधीन एक अधिसूचना जारी कर दी गई है ।

[(a) and (b). The report is still under consideration but in the meantime a notification under section 4 of the Land Acquisition Act, 1894, issued in respect of about 34,000 acres of land round about Delhi would prevent a rise in the prices of land.]

**Shri Ram Krishan Gupta:** May I know the precise suggestions made by the Committee for bringing down the prices of land in Delhi?

**Shri G. B. Pant:** The report of the committee is under consideration. But the issue of the notification under the Land Acquisition Act itself prevents any rise in the prices. They are frozen.

**Shri C. D. Pande:** Initially the land was frozen because the price was rising. Now the land has remained frozen for a long time; and the prices are rising in distant areas, in areas further than those that are frozen. Will Government materialise the Master Plan as soon as possible so that the land prices may go down?

**Shri G. B. Pant:** I hope the Master Plan will be finalised soon. But, if there is any rise in the prices beyond the urbanised areas, perhaps, it will be difficult to go to the extent of 100 or 1000 miles. May be it goes on extending more and more and more areas will become attractive.

**Shri C. D. Pande:** Sir, my question has not been fully understood. What I said was, because the land was frozen the prices rose up. Now, the land has remained frozen for a long time and the people have been forced to go beyo:.. that line and the land that has been frozen seems to remain frozen for all times.

**Shri G. B. Pant:** There is no harm if the people go a little beyond the area that is very close to them.

**Shri Ansar Harvani:** In view of the fact that the colonisers are indulging in profiteering, is there any proposal to fix a ceiling on the price of land in that area?

**Shri G. B. Pant:** So far as the question of any further rise in prices is concerned, that has been in a way solved to a large extent by the issue of the notification under the Land Acquisition Act. As to imposing any further ceiling on areas which are not covered by the Land Acquisition Act, it would be, I think, a very difficult proposition.

**Shri D. C. Sharma:** Has the Government any power to prevent and forbid speculation in land not only in the frozen area but also in respect of land on this side and that side of the frozen area?

**Shri G. B. Pant:** Well, I should like to do that, and if any suggestions are made I will be glad to consider them.

**Raja Mahendra Pratap:** Is it not possible to fix the price of the land at what it was ten years back?

**Shri G. B. Pant:** Well, if we go back by ten years, I think, then the present prices will be found almost to be fabulous, and I do not know how many transactions have taken place during this period and who have benefited and who have suffered.

**श्री अच्छ राम सिंह :** जिस ३४,००० एकड़ भूमि को सरकार ने अपने अख्त्यार में किया है क्या उस को अख्त्यार में करने की वजह से उस का यह प्रभाव नहीं पड़ा है कि जो स्वीकृत क्षेत्र हैं निर्माण के कारपोरेशन द्वारा उन में जमीनों की कीमतें दुगनी और कहीं कहीं तिगुनी तक हो गई है ? यदि यह सच है तो क्या सरकार उस अधिग्रहीत भूमि पर शीघ्र ही निर्माण का काम शुरू करवाने का कोई इरादा रखती है ?

**श्री गो० ब० पंत :** सरकार चाहती है कि जो भी जगह निर्माण के लिये दी गई है, उस में निर्माण कार्य बिना किसी विलम्ब के आरम्भ हो जाय ।

**नेता जी सुभाष चन्द्र बोस का स्मारक**

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*१३३०. { **श्री प्रकाश वीर शास्त्री :**
**श्री भक्त दर्शन :**

क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि २३ जनवरी, १९६० को दिल्ली के लाल किले के सामने वाले मैदान में नेताजी सुभाष चन्द्र बोस का जन्म-दिवस मनाया गया था;

(ख) क्या यह भी सच है कि उस समारोह के अवसर पर यह मांग की गई थी कि दिल्ली में नेताजी की स्मृति को चिरस्थायी बनाने के लिये कोई स्मारक बनाया जाये और गणतन्त्र दिवस या स्वतन्त्रता दिवस के अवसर पर नेताजी की स्मृति में डाक टिकट जारी किये जायें और लाल किले के सामने वाले मैदान का नाम नेताजी के नाम पर रखा जाये, और

(ग) यदि हां, तो इन सुझावों के बारे में क्या कार्यवाही की जा रही है ?

**गृह-कार्य मंत्री (श्री गो० ब० पंत) :** (क) जी, हां ।

(ख) और (ग). यह ज्ञात हुआ है कि इस विषय में मांगें की गई थी । परन्तु तत्सम्बन्धी कोई प्रार्थना सरकार को नहीं मिली है ।

[(a) Yes.

(b) and (c). It is reported that the demands to this effect were made. No request in this behalf has, however, been received by Government.]

**श्री प्रकाश वीर शास्त्री** : नेताजी सुभाष चन्द्र बोस का जब भारतीय स्वाधीनता संग्राम में इतना गौरवपूर्ण और महत्वपूर्ण स्थान रहा है तो सरकार ने स्वयं कोई पग आगे बढ़ा कर अब तक उन का स्मारक राजधानी में क्यों नहीं बनवाया है ?

**श्री गो० ब० पंत** : सरकार ने सिवाय गांधी जी के कोई स्मारक किसी का बनाया है या नहीं, मैं ठीक नहीं कह सकता । जहां तक कि सरदार पटेल की मूर्ति भी जो स्थापित होगी, उस के लिये भी जनता की ओर से सरकार के सामने प्रस्ताव किया गया है कि हम उस मूर्ति का निर्माण करेंगे, हमें जगह दी जाय । तो जगह सरकार देने का प्रबन्ध कर रही है और उस का तमाम व्यय और निर्माण का काम शुरू है ।

**Shri Hem Barua:** May I know whether it is not a fact that in the national scheme of things Netaji is in the cold shade of neglect; if not, whether Government have taken any steps to disprove my statement?

**Shri G. B. Pant:** Netaji deserves a high place in the list of our national leaders, and he has to be admired for his remarkable courage and sacrifices for the country.

**Shri Hem Barua:** I want to know what concrete steps the Goverament have taken to commemorate his memory or give him the rightful place in the national scheme of things?

**Shri G. B. Pant:** Men like Netaji do not require any artificial memorials like these. Their name itself is a memorial and engraved in golden letters in the history of India and will remain so for ever.

**श्री प्रकाश वीर शास्त्री** : मैं जानना चाहता हूं कि सेंट्रल हाल में जो अभी दो स्थान रिक्त हैं, क्या उन में से एक स्थान पर नेताजी सुभाष चन्द्र बोस का चित्र लगाया जा सकेगा ?

**श्री गो० ब० पंत** : यह मेरे हाथ की बात नहीं है । जिन के हाथ में यह बात है, वे इस पर विचार कर सकते हैं ।

**Shri H. N. Mukerjee:** In view of the obvious desire of the people, whatever the feelings of Government regarding the setting up of a tangible national memorial for Netaji Subhash Chandra Bose, may I know why Government persists in this attitude of apathy in this regard for so many years?

**Shri G. B. Pant:** There is certainly no apathy on the part of Government. It will be glad to consider any proposal. In fact, I may say that there is already a proposal under consideration that the flanks that are attached to the Lal Quila or thereabout should be known as Subhash Maidan.

**Shri Khimji:** May I know whether the site for erection of Sardar Patel's statute has been finally decided upon?

**Shri G. B. Pant:** This question does not refer to Sardar Patel.

**Shri Khimji:** The hon. Minister mentioned about the offer of Sardar Patel's statute and that is why I am asking this question.

**Shri G. B. Pant:** One or two sites are under consideration, and the committee which deals with the matter has given thought to the subject.

**Mr. Speaker:** We are going away from one leader to another leader.

**Shri S. M. Banerjee:** In part (b) of the question it was asked: "whether it is also a fact, that on that occasion demands were made that a memorial should be set up in Delhi to perpetuate the memory of Netaji and that postal stamps in the memory of Netaji should be issued....". I want to know whether the Government have any proposal to bring out stamps in

memory of Netaji Subhash Chandra Bose?

**Shri G. B. Pant:** Well, I understand that the proposal was considered by the Postal Department and they found that they could not do so at the time when it was made. But I have only collected this information; I have myself hardly much to do with it.

**श्री प्रकाश वीर शास्त्री :** माननीय गृह मंत्री महोदय ने बताया है इस प्रकार का कोई आवेदन-पत्र गृह-मंत्रालय को नहीं मिला है कि लाल किले के सामने वाले मैदान का नाम नेताजी के नाम पर रखा जाये और वहां उन की परस्तर प्रतिमा स्थापित की जाये। मैं जानना चाहता हूं कि यदि ऐसा कोई आवेदनपत्र प्राप्त हुआ तो क्या गृह मंत्रालय उस पर विचार करेगा ?

**श्री गो० ब० पंत :** एक बात मैं ने जो कही वह शायद मैं ने सही तरह नहीं कही या आप ने सही तरह नहीं सुनी। मैं ने कहा है कि इस प्रस्ताव पर या इस विषय पर विचार हो रहा है कि लाल किले के सामने के मैदान को सुभाष मैदान के नाम से आगे को ख्याति हो, उस को यह नाम दिया जावे। जहां तक दूसरी बात का सम्बंध है जब कोई प्रस्ताव आयेगा सरकार उस पर जरूर विचार करेगी ।

**Mr. Speaker:** Next question.

**Shri B. Das Gupta:** Sir, may I put one question?

**Mr. Speaker:** So many questions have been asked.

**Shri B. Das Gupta:** I will ask only one question. The hon. Minister just now said that men like Netaji do not require any artificial memorial.

**Mr. Speaker:** He need not go into it. The hon. Minister said that the maidan near Lal Quila will be dedicated to him. He has also given the details. When a question was put by Shri Prakash Vir Shastri whether a statue would be erected, he said that when that matter comes up it will be considered.

**Shri Raghunath Singh:** There is no dispute about it.

**Shri B. Das Gupta:** The same thing applies, I think, in the case of Gandhiji also.

**Mr. Speaker:** Order, order. We are going into an argument here.

**Shri B. Das Gupta:** I only want to know why then there is a memorial for Gandhiji and not for Netaji Subhash Chandra Bose?

**Shri G. B. Pant:** This Parliament decided to do that and it is being done. We have to carry out the orders of Parliament.

### Electoral Rolls in Bihar

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*1331. { **Shri Aurobindo Ghosal:**
{ **Shri B. Das Gupta:**

Will the Minister of Law be pleased to state:

(a) whether Government are aware that the Dhanbad Bar (Bihar) have registered their strong protest against the manner in which the Electoral Roll of that area has been prepared and published; and

(b) if so, whether Government have enquired into the grievance?

**The Deputy Minister of Law (Shri Hajarnavis):** (a) and (b). In January, 1960, the Election Commission received a copy of the proceedings of a meeting of the Dhanbad Bar Association pointing out that the electrical roll relating to the Dhanbad Assembly constituency had not been properly prepared and was defective. The Election Commission directed the Chief Electoral Officer, Bihar, to enquire into the matter and take necessary action. The enquiry revealed that there have been a number of errors and omissions in the electoral roll. The Deputy Commissioner, Dhanbad, has assured that the errors and omissions would be rectified during the current year's revision of the electoral rolls.

**Shri Aurobindo Ghosal:** May I know whether these errors which occurred in these electoral rolls will be rectified before the ensuing elections?

**Shri Hajarnavis:** As I said, they will be rectified during the current year's revision itself.

**Shri B. Das Gupta:** May I know whether, after the report of the Chief Electoral Officer, the Government will enquire into the matter as to whether the errors have been rectified correctly or not?

**Shri Hajarnavis:** The Deputy Commissioner is entrusted with the task, and after he has carried out the revision, if there are complaints about the Bihar rolls, then the law itself provides the remedy.

**Export of Coal**

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*1332. { **Shri Bhanja Deo:** / **Shri Manabendra Shah:**

Will the Minister of **Steel, Mines and Fuel** be pleased to state:

(a) whether it is a fact that exports of coal have been prohibited; and

(b) if so the reasons for the same?

**The Parliamentary Secretary to the Minister of Steel, Mines and Fuel (Shri Gajendra Prasad Sinha):** (a) and (b). Export of metallurgical coal is not being permitted in view of the increasing requirements of the country's expanding iron and steel industry. As regards non-matellurgical coal, supplies to our traditional foreign markets will be maintained to the extent possible, consistently with our own internal requirement from time to time. The position is under constant review.

**Shri Bhanja Deo:** May I know whether the Government have received a complaint from TISCO that they are not getting metallurgical coal for their steel plant from the Bhojudih washery?

**Shri Gajendra Prasad Sinha:** The last part of the question has not been followed.

**Mr. Speaker:** He wants to know whether the TISCO have complained that metallurgical coal has not been sent to them.

**The Minister of Steel, Mines and Fuel (Sardar Swaran Singh):** If I have understood the question correctly, it is this: whether the TISCO have complained that they are not getting the coal from the Bhojudih washery. That is the question. Well, Sir, it is a fact, because the Bhojudih washery has not actually started.

**Shri Mahanty:** May I know whether the coal washery at Bhojudih and Patherdih were meant for commission during the second Five Year Plan period and whether these two coal washeries were particulary earmarked for the private sector? In the circumstances, we would like to know why these coal washeries have not been completed yet.

**Sardar Swaran Singh:** There have been delays in the establishment of these washeries. This question will be discussed, I suppose, when we discuss the Demands for Grants under this Ministry.

**Shri Vidya Charan Shukla:** May I know whether it is a fact that we have been losing our coal exports to the traditional markets in the last three years? In the last three years' systematically we have lost our coal exports to our traditional markets.

**Sardar Swaran Singh:** I do not think it will be a correct statement to say that we have systematically lost the market, as the hon. Member has put it. For instance, even when we look at the figures of actual export, we will find that in 1956, it was 1·7 million tons; in 1957, it was 1·76 million tons; in 1958 it was 1·67 million tons; and in 1959 it was 1·42 million tons. Our exports have been of that order. There has been a difference of a couple of lakhs this way or that way. But that cannot certainly be described as a systematic loss of our traditional market.

**Shri Raghunath Singh:** May I know the position in respect of the exports

of our coal to Pakistan at present? Are they decreasing or increasing?

**Sardar Swaran Singh:** So far as Pakistan is concerned, it looks forward to India for the supply of coal and we have done our best to meet its requirements. In the new trade agreement also, I think there is a provision now of additional supply of about 30,000 tons of coal a month, and it is our intention to honour that.

**Shri T. B. Vittal Rao:** May I know whether it is a fact that TISCO has been asked to use coal other than washed coal?

**Sardar Swaran Singh:** They have always been using coal other than washed coal.

**Shri Mahanty:** May I know whether it is a fact that on account of the non-availability of high-grade coal, the ash percentage of the low-grade coal that is being used in the steel plants causes the cost of production of steel to shoot up?

**Sardar Swaran Singh:** As a general proposition, it is correct that if the ash content in the coal that is used for metallurgical purposes is higher, to that extent, the cost of production will be higher. It is precisely for that purpose that washeries are expected to be established so that the ash content may be reduced. Unless the washeries go into production, there is no option but to use that type of coal which has hitherto been used.

**Shri Mahanty:** When are they "going into production"?

**Shri Bhanja Deo:** May I know whether it is a fact that ash content of metallurgical coal increased by about two per cent. during the last one year?

**Sardar Swaran Singh:** I do not think that that is correct as a geological phenomenon, because the ash content does not increase merely by lapse of time. As our total requirement of metallurgical coal has increased, the metallurgical coal which was originally used for non-metallurgical purposes is also being switched on for metallurgical purposes. All these coals are not of the same quality so far as the ash content is concerned.

**Shri Vidya Charan Shukla:** From the figures that the hon. Minister gave it is apparent that instead of increasing our coal exports to our traditional markets, we have slided back slightly. May I know the reasons for not being able to increase the exports to our traditional markets during the last three years?

**Sardar Swaran Singh:** The strength of our economy which is growing and our internal requirements which are increasing are the obvious answer.

### Museum at Srirangapatna

*1333. **Shri Rami Reddy:** Will the Minister of **Scientific Research and Cultural Affairs** be pleased to state:

(a) whether a Museum at Srirangapatna in Mysore has been established;

(b) the articles that are exhibited in the Museum;

(c) the assistance given to the Museum by the State Government; and

(d) the details of the plans, if any, for improving the museum?

**The Deputy Minister of Scientific Research and Cultural Affairs (Dr. M. M. Das):** (a) Yes, Sir.

(b) The museum contains such articles as Tipu Sultan's dress and his gold chronometer and paintings prints, sketches and coins to illustrate his rule and life.

(c) The State Government presented to the Museum a collection of gold, silver and copper coins of Tipu Sultan and Haider Ali.

(d) The collection will as far as possible to augmented by procuring antiquities pertaining to Tipu Sultan from private as well as official sources.

**Shri Rami Reddy:** At the time when Srirangapatna was captured by Tippp,

the valuable libraries and collections of Tippu were carried away by the British and distributed among the various universities and libraries in Britain and, therefore, may I know whether the Government are making any efforts to recover any of those valuable books and manuscripts?

**Dr. M. M. Das:** It is difficult to give a reply to this question offhand; but so far as my knowledge goes, they all form part of the National Library in Calcutta. But I am not sure on this point.

**Shri Rami Reddy:** Has the Government evolved any plan to recover our valuable manuscripts and volumes lying in various parts of the world and display them in our National Museum?

**Dr. M. M. Das:** We cannot say about the collection of these valuable manuscripts from all over the world. But we are trying to do our best in this regard with respect to our own country, in different parts of India.

**Shri Rami Reddy:** May I know whether Government is aware that our ancient and valuable Sanskrit volumes are stored in the mountains in China and whether the Government is making any effort to recover them?

**Dr. M. M. Das:** This question is hardly relevant to the main question.

**Shri Tangamani:** May I know whether it has been brought to the notice of the Government that in a press statement it was said that certain manuscripts connected with Tippu are available in the India Office Library and, if so, may I know whether steps will be taken to collect them and put them in the museum which has been set up at Srirangapatna?

**Dr. M. M. Das:** I think the hon. Member as well as other hon. Members of the House are well acquainted with what is happening about the India Office Library.

**Shri A. M. Tariq:** May I know whether the Government is aware of the fact that some manuscripts written by Tippu Sultan are in the Oxford Library, and, if so, what action is taken to bring them back?

**Dr. M. M. Das:** We have got no information at present.

**उत्तर प्रदेश-बिहार सीमा-विवाद**

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*१३३४. { श्री राधा मोहन सिंह :
श्री जुशवक्त राय :
श्री कमल सिंह :
श्री चिन्तामणि पाणिग्रही :

क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि उत्तर प्रदेश सरकार ने केन्द्रीय सरकार को लिखा है कि उत्तर प्रदेश व बिहार के बीच जो सीमा-विवाद है उसे सुलझा दिया जाये;

(ख) यह विवाद क्या है; और

(ग) इस सम्बन्ध में क्या कार्यवाही की जा रही है ?

**गृह-कार्य मंत्री (श्री गो० ब० पंत :** (क) से (ग). सितम्बर, १८८८ की एक अधिसूचना के अनुसार घागरा नदी की गहरी धारा उत्तर प्रदेश के जिला बलिया और बिहार के जिला सारन के बीच सीमा है, तथा गंगा नदी की गहरी धारा उत्तर प्रदेश के जिला बलिया और बिहार के जिला शाहाबाद के बीच सीमा है। समय समय पर नदियों के बहाव बदलने के कारण अधिकार क्षेत्र (jurisdiction) तथा भूमि और खड़ी फसलों के आधिपत्य सम्बन्धी कठिनाइयां प्रस्तुत हुई है। बिहार और उत्तर प्रदेश की सरकार भूमि-विवाद की सम्भावनाओं को रोकने के लिये एक निश्चित सीमा के लिये इच्छुक रही हैं। इस विषय में संतोषजनक हल निकालने के लिये राज्य सरकारों के प्रतिनिधियों में मंत्रणा हुई है, आगे भी इन के बीच बैठकें होनी हैं। दोनों राज्य सरकारों ने केन्द्रीय सरकार से समस्या का शीघ्र हल निकालने के लिये सहायता की प्रार्थना की है।

[(a) to (c). By virtue of a Notification of September, 1888 the deep

stream of the river Ghagra forms the boundary between the District of Balia in Uttar Pradesh and the District of Saran in Bihar, and the deep stream of the Ganges forms the boundary between the Districts of Balia in Uttar Pradesh and Shahabad in Bihar. Owing to periodical changes in the course of the rivers due to riverine action difficulties have arisen regarding jurisdiction and ownership of land and standing crops. The Governments of Bihar and Uttar Pradesh have been desirous of having a firm boundary demarcated so as to avoid the possibility of land disputes. Representatives of the State Governments have discussed the matter with a view to evolving a satisfactory solution and further meetings are to be held between them. Both the State Governments have requested the Government of India for their good offices to enable them to come to an expeditious solution].

**श्री राधामोहन सिंह** : क्या गृह-मंत्री महोदय यह बतलाने की कृपा करेंगे कि जहां तक गंगा के दक्षिण को बाउन्डरी के प्रश्न का ताल्लुक है उस के बारे में उत्तर प्रदेश और बिहार सरकार के दरमियान यह तय हो गया है कि सन १८८२ में गंगा नदी का जो बैंड था वह दोनों प्रान्तों के बीच निश्चित सीमा रेखा मान लिया जाये ?

**श्री गो० ब० पन्त** : जहां तक मुझे मालूम है दोनों सरकारों के प्रतिनिधि इसी महीने में मिलने वाले हैं ताकि जो कुछ थोड़ी सी ऐसी उलझन की बातें हैं उन को भी सुलझा में और बहुत कुछ मामला सुलझ भी चुका है ।

**Shri Kamal Singh:** May I know whether pending the finalisation of fixation of a permanent boundary, the annual deep stream verification would be taken up between the two Governments and whether it is true that this has been suspended and the Government of Uttar Pradesh does not want to agree to the adjudication of villages and this has led to agrarian troubles and disputes?

**Shri G. B. Pant:** No. The existing state of affairs has not been disturbed. There were some representations from certain villagers, which accept the allotment of those villages to U.P. and that the Government of Bihar had been making some sort of revenue settlements there. I am assured by the Chief Minister that these villages either belong to Shahabad or are likely to remain unaffected even by these changes. If there is any change, he will certainly not have any objection to the position as it was before the settlement being maintained.

**Shri S. M. Banerjee:** The hon. Minister said in his reply that both the Governments have requested the Centre for an expeditious settlement of this problem. Should I take it that the State Governments have not been able to patch up their differences and if so, whether the Central Government has intervened in the matter and whether meetings have been held with the Chief Ministers and if so, with what result?

**Shri G. B. Pant:** The Central Government has intervened in a friendly way, but it is not nsecessary to give the details.

**Shri Kamal Singh:** As the fixation of the boundary is taking such a long time, will there be a definite interim arrangement, so that there may not any trouble.

**Shri G. B. Pant:** I am sorry I did not quite follow the question.

**Shri Kamal Singh:** It was decided to have a permanent boundary line in 1952. It has already taken 8 years and nothing has been done in this matter. It is a thing which will take a long time. In between, there was a certain interim arrangement. That interim arrangement is not being carried out.

**Mr. Speaker:** What is his question?

**Shri Kamal Singh:** I want to know whether any interim arrangement

would be made, so that the people on either side of the villages may not have difficulties in cutting their crops and there may not be frequent agrarian troubles?

**Shri G. B. Pant:** The existing state of affairs unnecessarily causes suspense and it is desirable to finalise the matter as soon as possible.

**Mr. Speaker:** Question 1091 which had been postponed on account of the absence of the hon. Finance Minister and which is printed at the end will be taken up now.

**Life Insurance Corporation**

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*1091. **Shri Hem Barua:**
**Shri Sampath:**
**Shri Tangamani:**

Will the Minister of **Finance** be pleased to state:

(a) whether attention of Government has been drawn to a statement made by Mr. A. Subbiah, a former member of the L.I.C. Investment Board, to the effect that there are cases of investment of L.I.C. funds in a manner that the "manifestly adverse to L.I.C. interests" as also instances of cases "not less serious than those which were investigated in the Mundhra deal";

(b) if so, whether instances of such cases, as alleged by Mr. A. Subbiah, have been brought to the notice of Government;

(c) if reply to part (b) is in the affirmative, whether Government have investigated into these cases; and

(d) if so, with what result?

**The Deputy Minister of Finance (Shrimati Tarkeshwari Sinha):** (a) to (c). Yes, Sir.

(d) Government is satisfied that the investments referred to by Shri Subbiah conform to the provisions of section 27A of the Insurance Act, 1938 as applied to the Life Insurance Corporation.

**Shri Hem Barua:** May I know whether it is a fact that a group of men in the LIC have monopolised it as a source of distribution of patronage to a certain group of operators and businessmen and if so, with what result?

**Shrimati Tarkeshwari Sinha:** It is not a fact.

**Shri Hem Barua:** In view of the fact that Mr. Subbiah has sent a letter which is 160 pages in length and the reply that is purported to be given by the Government is supposed to be 216 pages in length, may I know whether Government propose to place the letter and the reply on the Table of the House?

**The Minister of Finance (Shri Morarji Desai):** The reply of Government is not 216 pages in length. The reply running to 216 pages was from the LIC when the Government asked for a report about it. The reply of Government to Mr. Subbiah was only two or three pages and nothing more than that.

As regards the publication of it, I have told Mr. Subbiah that he can do what he likes with it; he has threatened me with all sorts of things. If he chooses to publish it, I will certainly lay it on the Table of the House.

**Shri Tangamani:** May I know whether in his letter, Mr. Subbiah has given many instances to show that certain brokers have been favoured and investment was made in companies when they were running low, as in the case of Madura Mills, Madura?

**Shrimati Tarkeshwari Sinha:** As I said, Government are satisfied that the investment had been made according to the principles laid down and Government do not think that there is any need for further investigation.

**Shri Tangamani:** May I know whether Government will at least lay on the Table of the House a statement showing instances which have been mentioned in Mr. Subbiah's letter? I do not want the entire details. **Mr.**

Subbiah has given how investment has been made in certain companies and he has given the reasons also why he objected to those investments at that particular juncture. I would like to know whether at least a summary will be given of the instances which have been given by Shri Subbiah in his letter, not the whole letter.

**Shri Morarji Desai:** If Shri Subbiah publishes the correspondence I shall certainly lay it on the Table of the House.

**Shri Braj Raj Singh:** Why should Government wait for Shri Subbiah to take the initiative?

**Shri Tangamani:** In the other House several incidents were mentioned by one hon. Member. What I want to know is.....

**Mr. Speaker:** The hon. Member has said the same thing three times. Hon. Members want that the correspondence with Shri Subbiah should be laid on the Table of the House. The hon. Minister has stated that Shri Subbiah has threatened him with all sorts of things and if Shri Subbiah publishes his letter, then the reply of the LIC and also the decision of the Government will be laid on the Table of the House.

**An Hon. Member:** Why not the Government do it now? Why should they wait for Shri Subbiah to publish them first?

**Shri Harish Chandra Mathur:** We do not know the facts. Whatever may be the facts pointed out by Shri Subbiah and the Government decision thereon, we want a statement of facts and the point of view of the LIC. I want to know whether the Minister has any objection to lay on the Table of the House a statement indicating the position.

**Shri Morarji Desai:** I have no objection. But it will be an unusual practice. Whenever a representation like that comes, making allegations every time I must put it on the Table of the House. I do not know whether it is proper. (*Interruptions*). I have no objection to lay a statement on the Table about the facts.

**Shri Hem Barua:** May I ask one question? There were many instances and I have too many of them with me. May I know whether it is a fact that cash receipts of the LIC generally is in excess of the disbursements to the extent of Rs. 10 lakhs a day and, if so, whether it is a fact that the amount of these accumulated sums of the order of Rs. 15½ crores are kept in the current account, that is, free of interest, in certain banks by way of patronage?

**Mr. Speaker:** How can we go into the details?

**Shri Morarji Desai:** These amounts of policy. I have not gone into the details and I do not propose to go into them, though I have got many details like wrong investment in companies. But this is a matter of policy whether these amounts should be deposited in the current account, especially when the amount is of the order of Rs. 10 lakhs a day.

**Shri Morarji Desai:** These amounts are not kept there for a long time. They have to be kept in some bank for some time until they are properly invested. They cannot be invested immediately they are received. Investment can be made only according to certain well-laid principles and it will take some time. Until then these funds have to be kept in some banks.

**Shri Harish Chandra Mathur:** Are these funds kept in the State Bank?

**Shri Morarji Desai:** I am not quite sure; it may be in the State Bank.

**Shri Hem Barua:** May I know whether it is a fact that in December 1958, the Investment Committee advised the purchase of Ashok—Leyland shares of the value of Rs. 5 lakhs when the shares were quoted at Rs. 5.70 nP. and, if so, whether it is a fact that the officials temporised and the actual purchase was made after

four months in April, and May 1959 when the shares shot up to Rs. 7.70 nP. and Rs. 9.10 nP.

**Shrimati Tarkeshwari Sinha:** After it was decided by the Investment Committee to purchase Ashok—Leyland shares, the Corporation in December made enquiries about 5,000 shares and were informed by the brokers that they were not available. Similarly, on the 3rd January, 10th January, 28th January, arnd 7th February, again the LIC asked for quotations for 5,000 shares, but they were not available. After that, the Investment Committee advised the executive to proceed with this deal with caution, because the budget proposals were likely to be made public soon thereafter. Therefore, the Corporation could not buy these ordinary shares at that time.

**Shri Morarji Desai:** May I supplement this? The average purchase price for Ashok-Leyland shares was Rs. 5.55 nP and the current price of the same shares is Rs. 7.20 nP.

**Mr. Speaker:** That is exactly what the hon. Member says. It was suggested that we may purchase them when the price was so cheap. They did not do so, though the price was only Rs. 5.50 nP. Then it shot up to Rs. 7.10 or so.

**Shri Morarji Desai:** By current price I mean the price after purchase. It was purchased at an average price of Rs. 5.55 nP.

**Mr. Speaker:** That is all right.

**Shri Raghunath Singh:** Government have gained.

**Shri Hem Barua:** May I know whether the Government officials temporised it? What was the time lag between the date of the proposal and the date of the actual purchase?

**Mr. Speaker:** The hon. Member is used to giving all sorts of comments when putting questions. That is not the way in which questions ought to be put. Has the hon. Minister to answer the temporisation or the question as to wheher Rs. 5.50 nP. was the price at which it was purchased? As far as possible, comments should be avoided during the Question Hour when they are putting questions. The question must be simple and straight, meant to elicit an answer. No derogatory observations shall be made either by one side or the other.

**Shri Tangamani:** May I put one more question?

**Mr. Speaker:** I am not going to allow it

**Shri Hem Barua:** May I put another supplementary?

**Mr. Speaker:** The hon. Member has used the word 'temporising'.

**Shri Hem Barua:** May I point out..

**Mr. Speaker:** I did not read anything new into his word?

**Shri Hem Barua:** I am sorry, I cannot put cream into my words.

**Mr. Speaker:** The hon. Member seems to be a professor in English also. I do not know how he can add cream or substract cream. But the language he uses must be absolutely free from derogatory observations. He ought not to make accusations. He must only put a question to elicit an answer. The hon. Minister has unequivocally stated that at the time when the purchase was made the price was Rs. 5.50 nP. It was on account of the purchase and the consequent sharpness or heaviness of demand that the price went up to Rs. 7.70 nP. The answer is clear. There is no temporisation.

**Shri Morarji Desai:** May I point out that the average purchase price was Rs. 5.50 nP? Some were higher than that and others were lower than that but the average price was Rs. 5.50 nP? Today the price is Rs. 7.20 nP. That is all what I said.

**Shri Hem Barua:** May I put one more supplementary?

**Mr. Speaker:** I have already allowed him a number of supplementaries?

**Shri Hem Barua:** May I know whether it is a fact that the purchase of Government securities from the Reserve Bank of India are made through brokers instead of directly from the Reserve Bank and, if so, whether Shri Subbiah suggested that purchases be made direct from the Reserve Bank and it was turned down by LIC?

**Shri Morarji Desai:** The Reserve Bank itself says that it has to be purchased like that and brokerage has to be given. That is the practice. I should certainly like to get over it, if I can.

**Shri Harish Chandra Mathur:** It is only in order to avoid the necessity of making unnecessary observations that the suggestion was made that a statement on this should be laid on the Table of the House, giving factual information, so that we may have the information in our possession. After all, the allegation has not been made by a member of the public but by a member of the Investment Committee. When he makes certain allegations, we want to know what those allegations are and what Government's attitude towards them is. May be, his allegations are absolutely false. We do not want to come to any conclusion here and now; we only want to know the facts so that we can come to some conclusion after knowing the whole thing.

**Mr. Speaker:** The hon. Minister must consider the question whether it is not in the public interest to place the whole bunch—the letter of Shri Subbiah, the reply of LIC and the resolution of Government thereon—on the Table of the House so as to clear up all doubts. Otherwise, hon. Members will go on asking questions after questions. Anyhow, I leave it to him to do so.

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## WRITTEN ANSWERS TO QUESTIONS

### Training of Indian Technicians in U.S.S.R.

*1335. **Shri Damani:** Will the Minister of **Finance** be pleased to refer to the reply given to Starred Question No. 70 on the 11th February, 1960 and state:

(a) whether details of the projects to be financed under the 1500 million roubles credit including the programme of Assistance for training Indian technicians have been finalised; and

(b) if so, the details thereof?

**The Deputy Minister of Finance (Shri B. R. Bhagat):** (a) Yes Sir.

(b) Attention is invited to Article I and Article II (5), (6) and (7) of the Additional Agreement between the Government of India and the Government of the Union of Soviet Socialist Republic determining the list of enterprises to be effected in collaboration dated the 12th February, 1960. Copies of this Additional Agreement have already been placed in the Parliament Library.

### Magnesium ore in Wynad, Kerala

*1336. **Shri Jinachandran:** Will the Minister of **Steel, Mines and Fuel** be pleased to state:

(a) whether it is a fact that magnesium ore is found in Manantoddy in Wynad, Kerala State;

(b) whether a comprehensive survey has been made; and

(c) if so what are the prospects?

**The Minister of Mines and Oil (Shri K. D. Malaviya):** (a) No, Sir. The Geological Survey of India has not reported any such occurrence.

(b) and (c) Does not arise.

**Strip Packings for Medicines**

*1337. **Shri A. M. Tariq:** Will the Minister of **Steel, Mines and Fuel** be pleased to state:

(a) whether it is a fact that there is a great demand in the country for strip packings for medicines;

(b) if so, the quantity produced in the country and imported annually,

(c) whether some firms have applied for foreign exchange to import the material; and

(d) if so, what action has been taken in the matter?

**The Minister of Steel, Mines and Fuel (Sardar Swaran Singh):** (a) Presumably the Member has in mind steel strips and hoops used for packing. If so, the answer is in the affirmative.

(b) The quantity produced and imported during the years 1958 and 1959 is:

| | Production | Import |
|---|---|---|
| 1958 | 11,467 tons | 22,818 tons |
| 1959 | 18,381 tons | 28,121 tons |

(c) and (d). Generally, firms apply for import licences and not for foreign exchange as such. Import Licences are issued to all actual users for strips, at present.

**Saugor Cantonment**

*1338. **Pandit J. P. Jyotishi:** Will the Minister of **Defence** be pleased to state:

(a) whether it is a fact that some land in the cantonment area at Saugor in Madhya Pradesh had been auctioned in 1957-58 to nine refugees;

(b) whether the whole amount had been deposited with the authorities concerned;

(c) whether the pattas of land were prepared in 1957; and

(d) whether it is a fact that neither the pattas have been given so far nor the amount returned?

**The Deputy Minister of Defence (Sardar Majithia):** (a) to (d). Yes, Sir, but only lease-hold rights over the land were auctioned. 8 of the 9 successful bidders were refugees. Only 7 out of them deposited the entire bid amount. Draft leases were prepared in 1958. After scrutiny by the competent authority, the lease has been executed in one case. The remaining six leases are expected to be executed shortly. Delay appears to have been caused in deciding from which date the rent liability should commence.

**Import of Petroleum from U.S.S.R.**

*1339. **Shri P. C. Borooah:**
**Shri Rameshwar Tantia:**

Will the Minister of **Steel, Mines and Fuel** be pleased to state:

(a) whether it is a fact that a separate agreement is going to be signed between Indian and Soviet Governments for importing Soviet oil into the country; and

(b) if so, the details thereof?

**The Minister of Mines and Oil (Shri K. D. Malaviya)** (a) and (b). An offer in this regard has been received from the Government of the U.S.S.R. Details are being negotiated—by the wholly Government Company, the Indian Oil Company, Limited, on behalf of the Government of India. Details will depend on the successful conclusion of the negotiations.

**Consumption of Diesel Oil**

***1340. Shri Harish Chandra Mathur:** Will the Minister of **Steel, Mines and Fuel** be pleased to lay a statement showing:

(a) the total consumption of diesel oil by (i) road transport and (ii) others each year since 1956;

(b) what has been shift from diesel oil to petrol from year to year as a result of increase in excise duty;

(c) whether it is a fact that increased kerosene is mixed with diesel from year to year; and

(d) if so, the estimated increase in this trend and consequent loss in duty?

**The Minister of Mines and Oil (Shri K. D. Malaviya):** (a) No accurate information is available separately regarding the consumption of diesel oil by road transport and by other users. It is, however, estimated that between 70 to 75 per cent of High Speed Diesel Oil is being consumed by road transport and only the balance by other users (including railways, tractors, stationary and marine diesel Engines etc.) during each year since 1956.

(b) to (d). The first increase of duty on H.S.D. only (excluding petrol) was from 1-3-59 and the further increase has been only from 1-3-60; it is, therefore, too early to expect any major shift from any particular fuel to another. People who had diesel trucks and buses from before will, naturally, continue to consume Diesel for some more time till they change to petrol engines or petrol vehicles. It is significant, however, that while consumption of Diesel in 1958 was 30 per cent over 1957 level, the consumption in 1959 was 10 per cent over 1958; that is, rate of increase at least has been reduced. There is certainly some misuse of Kerosene in diesel engines, mainly by owners or drivers who have less regard for their vehicles; though separate figures cannot be collected.

**Explosion in Sadar Bazar, Delhi**

***1341. Shri D. C. Sharma:** Will the Minister of **Home Affairs** be pleased to state:

(a) whether it is a fact that two girls and a servant received injuries as a result of an explosion in Qasabpura, Sadar Bazar, Delhi on Sunday, the 20th March, 1960 when an old scrap merchant was melting some fired ammunition by the road-side;

(b) how the ammunition which contained explosive materials was declared scrap; and

(c) the action taken or proposed to be taken in the matter?

**The Minister of Home Affairs (Shri G. B. Pant):** (a) Four persons including two girls received simple injuries as a result of an explosion which took place on Saturday the 19th March 1960 at Qasabpura, Sadar Bazar, Delhi, when a scrap dealer was melting some metal by the road side.

(b) The metal had not been declared scrap. It appears that it was purchased by the scrap dealer from some hawkers and contained a live detonator.

(c) The scrap dealer has been convicted under Section 286 and 387 Indian Penal Code and Section 19 of the Arms Act.

**Man Power Committees**

*1342. **Shri Subodh Hansda:**
**Shri R. C. Majhi:**
**Shri S. C. Samanta:**
**Shri Padam Dev:**
**Shri Bhakt Darshan:**
**Shri Arjun Singh Bhadauria:**
**Shri S. A. Mehdi:**

Will the Minister of **Home Affairs** be pleased to state:

(a) whether the Man Power Committee of the five Zonal Councils have completed the study of personel requirements for the Third Five Year Plan;

(b) whether this has been submitted to Government for scrutiny; and

(c) whether this has been accepted by Government?

**The Minister of Home Affairs (Shri G. B. Pant):** (a) These studies are in progress and will be finalised when the Third Plan has been fixed up.

(b) and (c). Do not arise.

**Legislation re: Contracts with Private Firms**

***1343. Shri Ram Krishan Gupta:** Will the Minister of **Law** be pleased to refer to the reply given to Unstarred Question No. 960 on the 4th December, 1959 and state at what stage is the proposal for legislation on the American lines for revision or renegotiation of Government contracts made with private parties or firms?

**The Deputy Minister of Law (Shri Hajarnavis):** The matter is still under consideration.

**Ishapore Ordnance Factory**

***1344. Shri P. K. Deo:** Will the Minister of **Defence** be pleased to state:

(a) whether Government are considering to instal another furnace in the Ishapore Ordnance Factory for increased production of steel;

(b) when the new furnace will be commissioned; and

(c) the cost involved?

**The Minister of Defence (Shri Krishna Menon):** (a) and (b). Except the 30 ton Basic Open Hearth Furnace, which is being installed and which is expected to be commissioned by the end of this year, there is no fresh proposal to instal another furnace at Metal & Steel Factory, Ishapore.

(b) The estimated cost of erection and installation of the Basic Open Hearth Furnace is Rs. 30,70,050.

**Consultative Committee for Primary and Secondary Education in Delhi**

***1345. Shri Ram Krishan Gupta**
**Shri Hem Barua**
**Shri Ajit Singh Sarhadi:**

Will the Minister of **Education** be pleased to refer to the reply given to Starred Question No. 89 on the 18th November, 1958 and state:

(a) whether Government have taken a decision for formation of a consultative committee to look after primary and secondary education in Delhi; and

(b) if so, the nature of decision taken?

**The Minister of Education (Dr. K. L. Shrimali):** (a) Yes, Sir.

(b) The request of the Delhi School Teachers' Association for the setting up of a consultative committee has been accepted.

**Social Welfare Extension Projects**

**1332. Shri D. C. Sharma:** Will the Minister of **Education** be pleased to state the amount of Central assistance given to Punjab State in 1959-60 for social welfare extension projects and for social and moral hygiene and after-care programmes?

**The Minister of Education (Dr. K. L. Shrimali):** (i) Rs. 5,02,700 for social welfare extension projects; and

(ii) Rs. 67,722 for social and moral hygiene and after-care programme, out of which Rs. 25,722 are towards adjustment of arrears claims for 1956 to 1959 and Rs. 42,000 are for 1959-60.

**Gandhian Philosophy**

**1333. Shri Bhagavati:** Will the Minister of **Education** be pleased to state the names of the persons who have delivered lectures on Gandhian Philosophy and the names of the colleges and universities where such lectures have been delivered in 1959

under the scheme for such lectures by eminent persons who were associated with Gandhiji?

**The Minister of Education (Dr. K. L. Shrimali):** A statement is laid on the Table of the House. [*See* Appendix III, annexure No. 53].

**Expenditure Tax**

**1834. Shri D. C. Sharma:** Will the Minister of **Finance** be pleased to state:

(a) the total amount of expenditure tax assessments, collections and arrears from 1st December, 1959 to-date (State-wise); and

(b) what steps have been taken to realise the arrears?

**The Minister of Finance (Shri Morarji Desai):** (a) and (b). The information is being collected from the Commission of Expenditure Tax and will be placed on the table of the House when ready.

**Ordnance Factory at Bhandara**

**1835. Shri D. C. Sharma:** Will the Minister of **Defence** be pleased to refer to the reply given to Unstarred Question No. 1373 on the 14th December, 1959 and state the further progress made in the matter of setting up an Ordnance Factory at Bhandara?

**The Minister of Defence (Shri Krishna Menon):** Progress on the implementation of the Explosives Project at Bhandara is being maintained as planned.

Preliminary land notification under Section 4 of the Land Acquisition Act, 1894, has been issued. Action to acquire land for immediate construction work is in hand.

Location survey of the Railway Siding from Bhandara Road Railway Station to Project Site has been completed. Estimates for the railway siding are expected to be ready at an early date.

Procurement of plant and machinery required for the project, is being actively pursued. Sanction for the expenditure involved, has been accorded.

**University Hobby Workshops**

**1836. Shri D. C. Sharma:** Will the Minister of **Education** be pleased to refer to the reply given to Unstarred Question No. 1380 on the 14th December, 1959 and state the up-to-date progress made to implement the proposal to establish hobby workshops in universities and colleges?

**The Minister of Education (Dr. K. L. Shrimali):** A statement is placed on the Table. [*See* Appendix III, annexure No. 54].

**School Hostels in Andhra Pradesh**

**1837. Shri M. V. Krishna Rao:** Will the Minister of **Education** be pleased to state:

(a) whether Government have sanctioned any amount to Andhra Pradesh Government for the construction of school hostels during 1959-60; and

(b) if so, the total amount sanctioned for each institution?

**The Minister of Education (Dr. K. L. Shrimali):** (a) and (b). A total sum of Rs. 1,75,000 has been sanctioned to the Andhra Pradesh Government during 1959-60 for being readvanced by them to the following institutions for the construction of Hostels. After the completion of normal formalities:—

| Name of the institution | Amount sanctioned | Remarks. |
|---|---|---|
| | Rs. | |
| 1. Sri Vivekananda High School, Giddalur | 25,000 | This represents only the instalments sanctioned for 1959-60 and not the total amount of loan approved for each institution. |
| 2. Fatima Girls' Multi-purpose Higher Secondary School, Kazipet. | 30,000 | |
| 3. Nava Bharati Gurukul Residential High School, Rajamundry. | 45,000 | |
| 4. Government Basic Training School, Pentapadu. | 75,000 | |
| TOTAL . | 1,75,000 | |

**Universities in Andhra Pradesh**

**1838. Shri Madhusudan Rao:** Will the Minister of **Education** be pleased to state:

(a) how much grant has been given to the three Universities in Andhra Pradesh during the Second Five Year Plan period upto 31st December, 1959; and

(b) how much grant is going to be given by the end of the Second Five Year Plan?

**The Minister of Education (Dr. K. L. Shrimali):** (a) Rs. 94,30,426.75 nP.

(b) According to present anticipations, a sum of Rs. 80,83,499.29 nP. is likely to be given to these Universities upto the end of the Second Five Year Plan. This includes Rs. 33,53,362.29 nP. already paid during the period January to March, 1960.

**Delhi University**

**1839. Shri Ram Krishan Gupta:** Will the Minister of **Education** be pleased to refer to the reply given to Starred Question No. 115 on the 18th November, 1959 and state:

(a) whether Delhi University has since finalised a scheme for giving better educational facilities to the students of Backward Classes; and

(b) if so, what is its nature?

**The Minister of Education (Dr. K. L. Shrimali):** (a) Yes Sir.

(b) The scheme provides for additional tutorial classes for those Scheduled Castes and Scheduled Tribes students who have been admitted after relaxing the requirements for admission of such candidates.

**Play Grounds for Educational Institutions in Orissa**

**1840. Shri Chintamoni Panigrahi:** Will the Minister of **Education** be pleased to refer to the reply given to Unstarred Question No. 151 dated the 18th November, 1959 and state:

(a) whether the sum of Rs. 24,000 which was sanctioned in favour of the Orissa State Government for the purpose of providing play grounds in educational institutions has been disbursed by now; and

(b) if so, the names of the institutions which have received them?

**The Minister of Education (Dr. K. L. Shrimali):** (a) and (b). Information in this behalf has been called for from the Government of Orrisa. On receipt, it will be placed on the Table of the House.

**Iron Ore Deposits in Cuttack**

**1841. Shri Chintamoni Panigrahi:** Will the Minister of **Steel, Mines and Fuel** be pleased to refer to the reply given to Unstarred Question No. 149 on the 18th November, 1959 and state:

(a) what are the free areas in the district of Cuttack which the expert committee had recommended for reservation for State exploitation;

(b) whether assessment of the reserves in Mayurbhanj and Cuttack districts has been made by now; and

(c) if so, the estimated reserve?

**The Minister of Mines and Oil (Shri K. D. Malviya):** (a) The free areas in the district of Cuttack recommended by the Expert Committee refer to all the areas except 3250 acres which have already been leased out to private parties.

(b) and (c). A general assessment has been made. The reserves of iron ore deposits in Cuttack and Mayurbhanj districts have been estimated as 100 million and 20 million tons respectively.

**Legal Aid to Poor in Tripura**

**1842. Shri Bangshi Thakur:** Will the Minister of **Law** be pleased to state:

(a) the number of candidates who have applied for Legal Aid as a part of the larger general scheme for the grant of free legal assistance to the poor so far in Tripura;

(b) how many of them have been given the aid; and

(c) the total amount given as aid?

**The Deputy Minister of Law (Shri Hajarnavis):** (a) to (c). The information is being collected and will be laid on the table of the House as early as possible.

**Naga Hostiles in Manipur**

**1843. Shri D. C. Sharma:** Will the Minister of **Home Affairs** be pleased to state:

(a) the number of encounters that took place from the 1st of November, 1959 to 31st of March, 1960 in Manipur between the Naga hostiles and the Manipur police;

(b) the number of hostiles arrested and detained during this period; and

(c) the number of hostiles who surrendered to the police during the above period?

**The Minister of Home Affairs (Shri G. B. Pant):** (a) 11.

(b) 39.

(c) Nil.

**Linguistic Minorities in Bihar**

**1844. Shri Mahanty:** Will the Minister of **Home Affairs** be pleased to state:

(a) whether representations have been made to Government regarding suppression of the cultural rights of the Oriya Linguistic Minorities living in the Saraikella Sub-Division in Bihar; and

(b) if so, the steps Government have taken in the matter?

**The Minister of Home Affairs (Shri G. B. Pant):** (a) Certain representations were received.

(b) The Commissioner for Linguistic Minorities has been looking into the matter. The attention of the State Government has also been drawn to it.

**माधो राव का धरारा**

१८८५. **श्री रघुनाथ सिंह :** क्या वैज्ञानिक अनुसन्धान और सांस्कृतिक कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि वाराणसी में प्रसिद्ध माधो राव के धरारे की मस्जिद की एक मीनार गिर गई थी और दूसरी मीनार इतनी जीर्ण हो चुकी है कि उसे गिरा देना जरूरी है; और

(ख) यदि हां, तो पुरातत्व विभाग इस सम्बन्ध में क्या कर रहा है ?

**वैज्ञानिक अनुसन्धान और सांस्कृतिक कार्य उप-मंत्री (डा० म० मो० दास)** : (क) जी, हां । एक मीनार ३० अक्तूबर, १९४९ को गिर गई थी । भविष्य में ऐसी दुर्घटनायें रोकने और स्मारक की सुरक्षा के लिये यह प्रस्ताव रखा गया है कि मौजूदा मीनार का दो तहाई भाग गिरा दिया जावे ।

(ख) मीनार के चारों तरफ मचान बनाने का काम चल रहा है ।

**Transfer of area from Hindi Region to Punjabi Region in Punjab**

**1846. Shri Ram Krishan Gupta:** Will the Minister of **Home Affairs** be pleased to state:

(a) whether it is a fact that some area of Hindi-speaking region has been transferred to Punjabi-speaking region, by the Punjab Government;

(b) if so, whether any previous approval of the Central Government was taken by the Punjab Government in this regard;

(c) if not, the reasons thereof; and

(d) the nature of action Union Government prpose to take in this regard?

**The Minister of Home Affairs (Shri G. B. Pant):** (a) to (d). The Punjab Government have made on administrative grounds certain adjustments of territories affecting Karnal, Ambala and Patiala districts. The State Government have stated that these adjustments do not affect the Hindi or the Punjabi regions as fixed by the Punjab Regional Committee's Order, 1957. No previous approval of the Government of India was sought in the matter.

**History of Ministry of Finance**

**1847. Shri A. M. Tariq:** Will the Minister of **Finance** be pleased to state:—

(a) whether there is any proposal to bring out a History of the Ministry of Finance; and

(b) if so, when?

**The Minister of Finance (Shri Morarji Desai):** (a) and (b). There is no proposal to bring out what may be called a history of the Ministry of Finance. The Indian Institute of Public Administration has under consideration the publication of a series of studies describing the organisation, functions and working of the different Ministries. At the request of the Institute, the requisite material regarding the organisation and working of the Ministry of Finance has been prepared and furnished to the Institute.

**Recognition of Political Parties**

**1848. { Shri Aurobindo Ghosal: Shri B. Das Gupta:**

Will the Minister of **Law** be pleased to state:

(a) whether Government recognise any political party for purposes other than elections in the Centre or in a State besides those recognised by the Election Commission; and

(b) if so, what are those parties?

**The Deputy Minister of Law (Shri Hajarnavis):** (a) and (b). There is no ban on any political party so far as the Government of India is concerned.

**Higher Secondary Schools in Delhi**

**1849. Shri M. B. Thakore:** Will the Minister of **Education** be pleased to state:

(a) whether it is a fact that last year no students passed from some higher secondary schools in Delhi at the annual examination;

(b) if so, the number of such students; and

(c) the subjects in which most of them failed?

**The Minister of Education (Dr. K. L. Shrimali):** (a) Yes, Sir. There were only two such schools from which no student passed either in the annual or the compartmental examination.

(b) Only 5 students (three from one and two from the other) were sent up for higher secondary examination and all of them failed.

(c) English and Lower Mathematics and Geometrical Drawing.

**Indian Nationality for Urdu Weekly Editor**

**1850. Shri Inder J. Malhotra:** Will the Minister of **Home Affairs** be pleased to state:

(a) whether it is a fact that the editor of an Urdu weekly published from New Delhi was in Pakistan sometime back and then came back to India on a special permit;

(b) whether it is also a fact that he stayed in India as a Stateless citizen for two years;

(c) whether he has been granted Indian nationality now;

(d) if so, when was this granted; and

(e) whether this very person was convicted in Pakistan for some offence?

**The Minister of Home Affairs (Shri B. G. Pant):** (a) to (e). The facts are that the person concerned had proceeded to Pakistan in 1948 where he was convicted in a political case. He was allowed to come back to India in 1955 on an emergency certificate which is granted in cases where *prima facie* evidence of Indian citizenship is produced but it is considered insufficient to justify the issue of a regular passport. He stayed on in India with an undefined status till December, 1957, when he was recognised as an Indian citizen under the Citizenship Act, 1955.

**Export of Scrap**

**1851. Shri M. B. Thakore:** Will the Minister of **Steel, Mines and Fuel** be pleased to state:

(a) the tonnage of scrap exported during 1959 from the Ports of Calcutta, Bombay, Madras and Kandla separately;

(b) whether it is a fact that the export policy limits export shipments of scrap to Ports of Bombay, Calcutta and Madras;

(c) the reasons why export of scrap was allowed from Kandla last year; and

(d) whether Government propose to extend the facility of scrap shipments from Kandla uniformly to all members of the scrap export trade?

**The Minister of Steel, Mines and Fuel (Sardar Swaran Singh):** (a)

| | |
|---|---|
| Calcutta | 169,478 tons |
| Bombay | 78,993 tons |
| Madras | 16,848 tons |
| Kandla | 2,087 tons |

(b) to (d). The export policy provides that all shipments of scrap are subject to inspection by the Iron and Steel Controller or his nominee. Exports by any exporter is allowed from any Indian Port provided facilities for inspection of shipment of various scrap exists at such Ports. But since the Iron and Steel Controller has his Office only at Calcutta, Bombay and Madras, he is able to inspect the scrap shipped from these Ports only. Last year export of scrap from Kandla was allowed because the Customs authorities there were agreeable to inspect shipments on behalf of the Iron and Steel Controller.

**Limestone Deposits in Andhra Pradesh**

**1852. Shri Venkatasubbaiah:** Will the Minister of **Steel, Mines and Fuel** be pleased to state:

(a) whether the assessment of the quantity of limestone deposits in Andhra Pradesh has been made by the Geological Survey of India; and

(b) if so, whether Government propose to utilise the mineral for starting of suitable industries?

**The Minister of Mines and Oil (Shri K. D. Malaviya):** (a) Yes, Sir. The Geological Survey of India have estimated some of the limestone deposits in Andhra Pradesh. The deposits so far investigated indicate a tentative reserve of the order of 9,000 million tons.

(b) The exploitation of limestone is under consideration of the Andhra State Government.

**National Atlas of India**

1853. **Shri P. K. Deo:** Will the Minister of **Scientific Research and Cultural Affairs** be pleased to state:

(a) when the final printing of the National Atlas of India in English will be completed;

(b) whether the maps of the population series are based on 1951-census figures; and

(c) whether it is proposed to postpone the publication so as to include the 1961-census figures?

**The Deputy Minister of Scientific Research and Cultural Affairs (Dr. M. M. Das):** (a) Possibly by the end of Third Five Year Plan period.

(b) Yes, Sir.

(c) No, Sir.

**Zoological Survey of India**

1854. **Shri P. K. Deo:** Will the Minister of **Scientific Research and Cultural Affairs** be pleased to state:

(a) whether there are regional stations in the country for the Zoological Survey of India;

(b) if so, where they are located; and

(c) what work is done in these regional stations?

**The Deputy Minister of Scientific Research and Cultural Affairs (Dr. M. M. Das):** (a) Yes, Sir.

(b) Three Regional Stations are located at Shillong, Poona and Jabalpur.

(c) Intensive faunistic surveys; collection of specimens and making observation on field ecology, habits and life-cycles of animals of the regions. A small Museum containing important representatives of the fauna of the region will also be attached to each Station for the interested public and students.

**Inter-University Board**

1855. **Shri Raghunath Singh:** Will the Minister of **Education** be pleased to state uptil now how many times Inter-University Board met and how many times the Chairman, University Grants Commission attended it?

**The Minister of Education (Dr. K. L. Shrimali):** The Inter-University Board of India has held 35 annual meetings so far. Prof. Humayun Kabir, the then Chairman, University Grants Commission, attended the 31st annual meeting held at the Aligarh Muslim University in January, 1956 and Shri C. D. Deshmukh the present Chairman, attended the 34th annual meeting held at Panjab University Chandigarh in February, 1959.

**Surplus Stores**

1856. **Shri Rajeswar Patel:** Will the Minister of **Defence** be pleased to state:

(a) whether it is a fact that stores worth more than Rs. 28 crores were declared surplus but recommended for re-utilisation during 1959-60;

(b) if so, the reasons why they were declared surplus and the circumstances under which they were recommended for re-utilisation; and

(c) the name of the authority who recommended their re-utilisation?

**The Minister of Defence (Shri Krishna Menon):** (a) and (b). The total book value of stores actually declared to DGS & D and which were outstanding for disposal on the 1st April, 1959 was approximately Rs. 3 crores only. However, large quantities of stores, which were found surplus to the immediate requirements of the

Branches|Services holding the stocks as a result of the normal annual provision reviews and which might, in the ordinary course, have been declared surplus to the DGS&D in the normal manner, were surveyed by a Technical Team during the year 1959 with a view to ascertaining whether the stores could be re-utilised, either in their present form, or by modification|repair by the Services|Branches other than by the stock-holder also, in the light of the existing shortage of foreign exchange resources and the necessity for all round economy. The Technical Team has recommended re-utilisation of such stores worth Rs. 28 crores approximately.

(c) An Inter Services Technical Team consisting of representatives of the three Defence Services, Director General of Ordnance Factories, Controller General of Defence Production, Hindustan Aircraft Limited, and Bharat Electronics Limited, which was specially set up for conducting the re-utilisation check.

**Science Clubs**

**1857. Pandit J. P. Jyotishi:** Will the Minister of **Education** be pleased to state:

(a) the State-wise number of Science clubs that have so far been established with aid given by the All India Council for Secondary Education; and

(b) the amount of financial help given to such clubs and the State-wise number of institutions that have been so helped?

**The Minister of Education (Dr. K. L. Shrimali):** (a) and (b). A Statement is laid on the Table of the Lok Sabha. [*See* Appendix III, annexure No. 55].

**Welfare Extension Projects in Punjab**

**1858. Shri Hem Raj:** Will the Minister of **Education** be pleased to state the number of welfare extension projects opened by the Social Welfare Board in the Punjab State during the first four years of the Second Five Year Plan and proposed to be opened during the final year of the Plan?

**The Minister of Education (Dr. K. L. Shrimali):**

| | |
|---|---|
| 1956-57 to 1959-60 | Nineteen. |
| 1960-61 | Twenty eight. |

**"Detection of Smuggling at Palam"**

**1859. Shri Ram Garib:** Will the Minister of **Finance** be pleased to state:

(a) how many cases of smuggling have been detected by Customs authorities at Palam and Safdarjang Airports during the last one year; and

(b) the amount collected or realised as penalty in connection therewith?

**The Minister of Finance (Shri Morarji Desai):** (a) 24 cases of smuggling were detected at Palam and Safdarjang Airports during the year March, 1959 to February, 1960.

(b) Rs. 8,055.

**Visit of U.S. Aircraft Carrier**

**1860. Shri Raghunath Singh:** Will the Minister of **Defence** be pleased to state whether it is a fact that one American Aircraft Carrier is visiting India in mid-April on a goodwill mission?

**The Minister of Defence (Shri Krishna Menon):** Yes, Sir. The American Aircraft Carrier BONHOMME RICHARD is expected to pay an informal visit to Bombay from 11th to 16th April, 1960.

**Nav Hind Girls' Higher Secondary School, Delhi**

**1861. { Shri Nek Ram Negi: / Shri Inder J. Malhotra: / Shri Bahadur Singh:**

Will the Minister of **Education** be pleased to refer to Unstarred Question No. 1150 on the 9th December, 1959 and state:

(a) the month in which the sum of Rs. 5 charged by Nav Hind Girls' Higher Secondary School, Delhi was adjusted in full towards the tuition fees;

(b) whether it is a fact that this amount of Rs. 5 has not been adjusted in the case of all students from whom it was charged;

(c) if so, the number of such students; and

(d) the reasons for not refunding this amount?

**The Minister of Education (Dr. K. L. Shrimali):** (a) to (c). The amount of Rs. 5 was adjusted in full towards tuition fees in the month of September, 1959. Some students, however, preferred to get the amount adjusted against Library Security, which is refundable. The same was accordingly adjusted by the school management.

(d) Does not arise.

**Lady Irwin College, New Delhi**

**1862. Shri Rameshwar Tantia:** Will the Minister of **Education** be pleased to state:

(a) whether it is a fact that the management of the Lady Irwin College, New Delhi have decided to abolish the two-year diploma course in Home Science; and

(b) if so, the reasons therefor?

**The Minister of Education (Dr. K. L. Shrimali):** (a) Yes, Sir.

(b) The reasons are:

(i) With the introduction of Degree Courses in Home Science, the value of Diploma Course has gone down considerably.

(ii) With the introduction of Home Science as a subject of study in Higher Secondary Schools, Colleges and the University, the need for qualified teachers with B.Sc. (Home Science) and B.Ed. is being increasingly felt.

(iii) Diploma Holders find it difficult to secure appointments either in Higher Secondary Schools, Colleges or in Home Science Wings and Rural Institutes.

(iv) The Diploma holders in Home Science are either not being accepted in a number of institutions outside Delhi or they are offered very low salary.

(v) For raising the standard of the subject especially with the introduction of M.Sc. Course.

**Iron and Steel Advisory Committee**

**1863. Shri Ramanathan Chettiar:** Will the Minister of **Steel, Mines and Fuel** be pleased to state:

(a) the number and names of representatives of agriculturists in the Iron and Steel Advisory Committee; and

(b) whether the Committee advises the Ministry of Steel, Mines and Fuel on the pattern of manufacture by producers of different items of steel products that are in demand from time to time?

**The Minister of Steel, Mines and Fuel (Sardar Swaran Singh):** (a) "Agriculturists" as such are not represented on the Iron and Steel Advisory Council.

(b) The Iron and Steel Advisory Council has been constituted to advise the Central Government on all matters of a general character relating to iron and steel and in particular to problems pertaining to *production*, distribution, transport, research, import and export.

**Institute of Bio-Chemistry and Experimental Medicine, Calcutta**

**1864. Shri Aurobindo Ghosal:** Will the Minister of **Scientific Research and Cultural Affairs** be pleased to state:

(a) whether any drugs are manufactured in the Immunobiological Laboratory of the Institute for Bio-Chemistry and Experimental Medicine, Calcutta; and

(b) if so, the names of these drugs?

**The Deputy Minister of Scientific Research and Cultural Affairs (Dr. M. M. Das):** (a) No drugs are manufactured in the Indian Institute for Biochemistry and Experimental Medicine. The Immunobiological Laboratory is not a part of or in any way connected with the Indian Institute for Bio-chemistry and Experi-

notice of a privilege motion.

(b) Does not arise.

**Mr. Speaker:** Now Papers to be laid on the Table.

**Shri Hem Barua:** Sir I have given notice of a privilege motion.

**Mr. Speaker:** I am not going to allow it.

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**12.08 hrs.**

## PAPERS LAID ON THE TABLE

### AMENDMENTS TO ALL INDIA SERVICES (MEDICAL ATTENDANCE) RULES

**The Deputy Minister of Finance (Shrimati Tarkeshwari Sinha):** On behalf of Shri Datar, I beg to lay on the Table, under sub-section (2) of section 3 of the All India Services, Act, 1951, a copy of Notification No. GSR 322 dated the 19th March, 1960 making certain amendments to the All India Services (Medical Attendance) Rules, 1954. [*Placed in Library, See* No. LT-2071/60.]

### AMENDMENTS TO INTERNATIONAL COPYRIGHT ORDER

**The Deputy Minister of Scientific Research and Cultural Affairs (Dr. M. M. Das):** On Behalf of Shri Humayun Kabir, I beg to lay on the Table, under section 43 of the Copyright Act, 1957, a copy of Notification No. S.O. 650 dated the 14th March, 1960 making certain amendment to the International Copyright Order, 1954. [*Placed in Library, See* No. LT-2072/60.]

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### ESTIMATES COMMITTEE
### EIGHTY-THIRD REPORT

**Shri Dasappa** (Bangalore): I beg to present the Eighty-third Report of the Estimates Committee on the Ministry of Scientific Research and Cultural Affairs Part IV—National Laboratories and Miscellaneous.

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**12.09 hrs.**

## DEMANDS FOR GRANTS—*contd.*

### MINISTRY OF STEEL, MINES AND FUEL

**Mr. Speaker:** The House will now take up discussion and voting on Demands Nos. 80 to 82 and 129 relating to the Ministry of Steel, Mines and Fuel for which 7 hours have been allotted.

54 cut motions have been tabled to these Demands. Hon. Members desirous of moving cut motions may hand over at the Table within 15 minutes the numbers of the selected cut motions. Hon. Members are already aware of the time-limit for speeches. Now, the hon. Minister.

### DEMAND NO. 80—MINISTRY OF STEEL, MINES AND FUEL

**Mr. Speaker:** Motion moved:

"That a sum not exceeding Rs. 37,04,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1961, in respect of 'Ministry of Steel, Mines and Fuel'."

### DEMAND NO. 81—GEOLOGICAL SURVEY

**Mr. Speaker:** Motion moved:

"That a sum not exceeding Rs. 1,82, 72,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1961, in respect of 'Geological Survey'."

DEMAND NO. 82—MISCELLANEOUS DEPARTMENTS AND OTHER EXPENDITURE UNDER THE MINISTRY OF STEEL, MINES AND FUEL

**Mr. Speaker:** Motion moved:

"That a sum not exceeding Rs. 40,38,44,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1961, in respect of 'Miscellaneous Departments and Other Expenditure under the Ministry of Steel, Mines and Fuel'."

DEMAND NO. 129—CAPITAL OUTLAY OF THE MINISTRY OF STEEL, MINES AND FUEL

**Mr. Speaker:** Motion moved:

"That a sum not exceeding Rs. 59,12,79,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1961, in respect of 'Capital Outlay of the Ministry of Steel, Mines and Fuel'."

**Shri Mahanty** (Dhenkanal): May I request you kindly to extend the time at least by an hour because it is a very important Ministry..... (*Interruption*) and there are many important issues

**Mr. Speaker:** Let us see.

**Shri Narayanankutty Menon** (Mukandapuram): As a matter of fact, the demands show that it ought to have been two ministries because the Oil Ministry is separate and the Steel Ministry is separate. There are a lot of things to be said and seven hours is very little time.

**Mr. Speaker:** All this was there before the Business Advisory Committee.

**The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha):** We have been extending time as far as possible. It is impossible now to extend time any further.

**The Minister of Steel, Mines and Fuel (Sardar Swaran Singh):** Mr. Speaker, Sir, as on the previous occasions during the last two or three years, with your kind permission I would like to say something in relation to the activities of the Ministry during the last year and would also venture to say something about the future. As a number of activities are involved and a lot of factual information is concerned, I venture to give a consolidated picture with regard to the various activities so that Government might benefit by the observations which the hon. Members might make with regard to the various activities. First I would say something about coal.

The upward trend in production, both in the private and public sectors, has, I am glad to report, been maintained. This is reflected in the All-India coal production figure of 47 million tons for 1959, as against 45.35 million tons for 1958. I must however, confess that the performance has fallen short of the expectation of 49 million tons which I had ventured to forecast when I spoke in the House this time last year. A part of the shortfall was due to the very appreciable drop in production due to cyclonic conditions which prevailed in the area where the major coalfields are located.

The private sector has given an additional 6.4 million tons during 1959, when compared to the production of 33.89 million tons for 1958. This represents a 19 per cent increase over the production at the commencement of the Second Plan; when viewed against the target of an additional production of 10 million tons assigned to this sector, the achievement is well over 60 per cent. I have every hope that the accumulated experience of this sector will be brought fully

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to bear on the problem and the shortfall, if any, will not be appreciable.

Turning now to the public sector, the production in 1959 was 6.75 million tons, representing an increase of 53 per cent over the figure of total production in 1955. This comprises 4:52 million tons raised by the National Coal Development Corporation from its old and new mines and 2:23 million tons from the Singareni Collieries. In terms of additional production, the effort represents an achievement of 20 per cent against the target of 12 million tons assigned to the public sector.

With the efforts being put in by the private sector to reach its target and the increased tempo of activity in the public sector, we hope to be able to attain a total production of 54 million tons in 1960-61, the last year of the Plan. In terms of level of production, we hope that in March, 1961, the National Coal Development Corporation collieries would yield a monthly output which will correspond to a rate of 9 million tons per annum. This is 4.5 million tons less than the target of 13.5 million tons; but capacity would have been established in full for a production equal to the target, and it should be possible to obtain the target rate of output well within the first year of the Third Plan.

The Corporation's Coal Washery at Kargali registered all-round improvement during the course of the year. In January, 1960 the production was 96,962 tons. The Washery was able to meet the entire requirements of the steel plants at Bhilai and Rourkela during the year 1959.

It has been estimated that Third Plan schemes, which would yield production in the first two years of that Plan and on which purchase and other action has to be taken even now, will entail a capital expenditure of the order of Rs. 7.77 crores. A provision of roughly Rs. 7 crores has been taken in the budget estimates for the year 1960-61.

Now I turn to the affairs of the Singareni Collieries Company. Starting with a production of 1.5 million tons in 1955, the Collieries have been able to raise 2.23 million tons in 1959, against the target of 3 million tons by 1961-62. This performance encourages me to believe that at least 2:7 or 2.8 million tons would be achieved by the end of the current Plan. A loan of Rs. 40 lakhs was advanced by the Centre to the Company in 1959-60. The House is already aware of the loan of Rs. 60 lakhs granted in 1958-59 and another loan of Rs. 10 lakhs advanced in 1957. In pursuance of the decision to participate in the capital structure of the Company, a sum of Rs. 120 lakhs was spent during 1959-60 towards purchasing 40 per cent of the reorganised equity share capital of the Company.

Sir, I would now enumerate some of the steps taken by Government to maximise coal production. We have finalised a procedure for the grant of subsidy to collieries which have to be maintained in production in the national interest but are handicapped by one or more adverse factors, such as presence of gas, difficult mining conditions, excessive depth of workings, etc. The subsidy is to be paid out of the proceeds of the additional cess of 25 nP. per ton levied with effect from the 1st February, 1960. The need for large-scale expansion of stowing operations has also been recognised. Accordingly the rate of stowing assistance which used to be 75 per cent of the cost subject to certain ceilings till recently, has now been raised to cen per cent of the cost, and the ceilings also have been raised suitably. To ensure adequate availability of sand for stowing operations, particularly for the purpose of winning coking coal by depillaring etc., Government are contemplating central sand stowing schemes (including construction of ropeways to

transport sand in the Jharia coalfield. Similar schemes are also being planned in the Raniganj coalfield for non-coking coal. The intention is to give effect to these schemes as early as possible and in any case not later than the end of 1962. The project report for one of the ropeways for Jharia has already been received and is at present under examination, whereas the technical feasibility of the other one is under examination.

Our policy in regard to coal prices has been to hold the priceline as far as possible, and whatever increases have been given are those considered inevitable in the interest of coal production. Nevertheless, the recent price increases, together with the scheme for subsidy in cases of difficult mining, should enable the industry to achieve the stability necessary for expansion of production.

Very soon, Sir, the frame of the Third Five Year Plan would have to be finally settled. The importance of coal in a regenerative economy cannot be over-emphasised. If rapid industrialisation on the scale envisaged for the Third Plan requirements is to come about, it would be imperative to accord very high priority to schemes of coal production. Present indications are that the target that would ultimately be fixed would be of the order of 95 million tons.

The Integrated Neyveli Lignite Project occupies an important place in the industrial development of the South. The progress achieved under the Mining Scheme is satisfactory. Except for some strips, the excavation in the larger parts of the first mine cut have reached about 70 feet below the ground level. The development phase of the scheme envisages the removal of a total of 27 million cubic yards of overburden. Parts of the lignite seam will be exposed and lignite in sufficient quantities would be mined from April, 1961, full production being achieved by September, 1963, when the Briquetting and Carbonization Plant, the last of the component schemes of the Integrated Project goes into commission. The scheme for ground water control is ready, and on the basis of the various pumping tests, the specifications for the drills, pumps and casing pipes required have been drawn up and action initiated for the procurement of these items. Regular pumping under the scheme for ground water control will be called for only after the excavations have reached a depth beyond 100 feet below the ground level.

The setting up of the 250 megawatt Thermal Power Station at a cost of Rs. 22.56 crores is making satisfactory progress. Certain sets of working drawings for the Power Station, and a part of the steel requirements, have already been received at Neyveli from the Soviet suppliers. Civil works connected with the Power Station are currently in progress. The first unit of the Power Station is expected to be commissioned by April, 1961, and the remaining units at intervals thereafter by September, 1962.

Government have also sanctioned the establishment of a fertilizer plant at Neyveli at a cost of Rs. 26.10 crores for the production of 1,52,000 tons of Urea per annum. Contracts for the supply of plant and machinery have already been concluded with Messrs. Pitsoh-Bamag-Linde, German firms, and Messrs. Ansaldo, an Italian firm. The commercial production of Urea is expected to commence by about the middle of 1963.

Global tenders for the supply of plant and equipment for the Briquetting and Carbonization Plant were invited by the Lignite Corporation through the India Supply Mission, Washington. Quotations have already been received and are now under the scrutiny of the Corporation. The plant is expected to go into commercial production by September, 1963. The entire Project would thus be in full scale operation by the end of the third quarter of 1963.

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Without making any major alteration in the layout of the mine, and by providing only one additional large (700 litre) Bucket Wheel Excavator, with ancillary facilities, it is feasible to increase the mine output from 3.5 million tons to 6 million tons per annum. Enough capital outlay to achieve this increase will be provided for in the Third Plan, but the actual output from the mine is proposed to be restricted to 4.8 million tons in the first instance; that is to say, the further extraction of lignite beyond the Second Plan target of 3.5 million tons would be restricted to the quantity needed for expanding the capacity of the Neyveli Thermal Power Station from 250 MW to 400 MW. This expansion has been included in the Third Plan at an estimated total cost of Rs. 15 crores and is one of the schemes to be implemented with Soviet collaboration under the recent 1,500 million rouble credit extended to this country. The possibility of further extraction of lignite, to the ultimate capacity of 6 million tons per annum, is linked with the proposal for the reduction of Salem iron ore in a low shaft furnace, using high temperature lignite coke. Government have set up a Committee to explore the technical feasibility and economic viability of such a scheme.

Now I come to oil. The Industrial Policy Resolution of 1956 included 'Mineral Oil' among industries, future development of which would be the exclusive responsibility of the State. Government have now enacted in November, 1959 the new Petroleum and Natural Gas Rules, to regulate the grant of oil exploration licences and mining leases; simultaneously Government have also announced that they would consider any proposals inferested foreign parties may make, for participation in exploration for oil, generally within the ambit of the Industrial Policy Resolution and of the new Rules. Expression of interest has already been received from several such parties.

The Oil and Natural Gas Commission was converted into a Statutory Commission, with effect from the 13th October, 1959. The Commission continued drilling in Jawalamukhi and Hoshiarpur areas of Punjab, in Cambay and in Sibsagar areas of Bombay and in Sigsagar areas in Assam. Preliminary investigations are also being carried out in Himachal Pradesh, Uttar Pradesh, Rajasthan, Bengal, Orissa and Kerala. In Cambay area six wells have already been drilled and the work of testing and further drilling is making satisfactory progress.

Under the Indo-Stanvac Petroleum Project, in which Government have 25 per cent share, the Standard Vacuum Company continued to search for oil in the West Bengal Basin. Nine wells have been drilled so far without striking oil; the next well is in hand.

Government have 33 1/3 per cent share in the Oil India Limited, incorporated as a result of agreement concluded with the Assam Oil Company/Burmah Oil Company. This Company is to produce crude oil from the new proved oil-fields in Assam and to transport the crude oil by pipe line to the two refineries, Government are setting up. The Company has already concluded a contract for procuring the line pipes, and are arranging to lay the pipe line for the movement of crude from Naharkatiya area to Barauni through Nunmati. Sixty-five wells have been drilled upto the end of January, 1960. It is proposed to drill 24 wells during the year 1960; and a total number of about 140 wells to achieve a production of 2·75 million tons per annum, required for the Government-owned refineries being set up at Nunmati and Barauni.

India Refineries Limited, a wholly Government-owned Company was incorporated in August, 1958 to construct and operate the two refineries, one at Nunmati in Assam and the

other at Barauni in Bihar, with an initial crude throughput of 0·75 and 2 million tons respectively. The Nunmati Refinery is being set up in technical collaboration, including credit assistance, with the Government of Rumania, and is expected to be on stream in the second half of 1961. The Barauni Refinery is being set up in similar collaboration with the U.S.S.R. Government; one of its two initial units is scheduled to commence production before the end of 1962 and the second unit by the middle of 1963.

Large reserves of natural gas were found in the new Assam oilfields along with crude oil. The Gas will be utilised in the first instance for the production of power and for manufacture of cement and of fertilisers.

To enable Government to enter marketing and distribution of petroleum products in this country, which has so far been more or less entirely in the hands of foreign-owned companies, Government have setup the Indian Oil Company Limited wholly owned by Government. This Company will not only handle the production of the two Government owned refineries going to be built but would also deal with imports that would still be necessary to meet the deficit between growing consumption and indigenous production.

Government continued their efforts in tackling the question of pricing of oil. As a result of further negotiations with the existing Oil Companies, another *ad hoc* agreement was recently reached; the further *ad hoc* reductions thus achieved have, as on the previous occasion, been mopped up through suitable adjustments of the additional duties. The gains to general revenues have, as the House is no doubt aware, been very substantial.

Imbalance between the pattern of production and the pattern of consumption of various petroleum products is not peculiar to our country; our major problem is the deficit of kerosene and also of high speed diesel oil, which is accompanied on the other hand by surplus of motor spirit. In a growing economy, no simple or single remedy can be found to such problems. But the problem is receiving attention. Some fiscal steps have already been taken. If a way is found to produce cheap cars, consumption of motor spirit may also go up. Further, in January this year, Government have also constituted a Committee to advise them on problems relating to changing patterns of demand, supply, distribution and transport of petroleum products; representatives from the industry have also been included in this Committee, which is now at work.

Now, Sir, I pass on to Mineral Development. As in the previous years, the work of survey and prospecting in respect of minerals was continued and further expanded by the Geological Survey of India and the Indian Bureau of Mines. Systematic geological mapping on the scale of 1" to one mile was carried out by the Geological Survey in the States of Andhra Pradesh, Bombay, Kerala, Madras, Orissa, Rajasthan and Uttar Pradesh, while detailed mapping on a larger scale was undertaken in the important mineralised belts situated in these States and in Jammu and Kashmir and Madhya Pradesh.

The Geological Survey of India continued further work in the newly discovered 90 feet coal seam in the Singrauli area of Madhya Pradesh and also discovered another new seam in that part of the Raniganj area which had hitherto been considered as unimportant. The Geological Survey of India has also succeeded in further locating larger deposits of flux grade limestone in the Shahabad District of Bihar required by steel plants and intensified its operations in respect of coal and lignite deposits in

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Jammu and Kashmir. Work in the unexplored Dandakaranya region was also intensified.

In order to decentralise the working of the Geological Survey of India, three regional offices with headquarters at Calcutta, Lucknow and Hyderabad were established, and these regional offices will have a number of circle offices under them. Sufficient powers have been delegated to ensure speedy working.

Considerable stress has been laid on promoting mineral consciousness amongst the people. In addition to the distribution of easily understandable literature, lectures and lantern slide demonstrations were arranged. The response has been quite encouraging. The programme of field work for the year 1960 includes all items of high priority investigations relating to key minerals and fuel. Particular emphasis is being laid on the investigation of base metals, and the Base Metals Unit set up about a year ago has considerably expanded its activities.

Under the Second Five Year Plan, the Indian Bureau of Mines has been entrusted with proving of mineral resources of the country chiefly in respect of coal, iron, copper, lead, zinc, pyrites and magnesite. The results of the exploration work for copper at Khetri and Daribo in Rajasthan have been sufficiently encouraging to warrant the exploitation of these deposits in the near future and steps are being taken in that direction. At Amjore in Bihar the Bureau has proved reserves of pyrites of about 32 million tons and a scheme is under implementation for the production of sulphur and sulphuric acid from pyrites. The exploratory operations for magnesite in U.P. have been concluded after proving reserves of the order of 2.2 million tons and the area is now ready for exploitation. The Bureau has also completed the exploration for iron ore at Kiriburu where reserves to the extent of 175 million tons had been proved up to the end of February, 1960. The Bureau has also proved reserves of coal of the order of 1,210 million tons against a target of 800 million tons to be proved by October, 1959. The organisation of this Department is further being geared up to meet the increasing responsibility to be shouldered by it during the III Plan period. Shortage of suitably qualified experienced personnel is proposed to be met by initiating several training schemes.

The Bureau also completed the exploratory work in respect of the copper, lead and zinc deposit at Bhotang in Sikkim, and a Corporation came to be set up early in 1960 to exploit the same.

An agreement has been reached between the Indian Iron Ore Negotiating Committee and the Japan Steel Mission, which will enable the development of mines in Bailadila area of Bastar District, Madhya Pradesh, so as to export 4 million tons of ore to Japan from 1966 for a period of 15 years. The estimated cost of the total scheme is roughly Rs. 77 crores, inclusive of the cost of a new railway line. Foreign exchange earning from this export on the basis of current prices is estimated to be over Rs. 20 crores and this would be over and above the foreign exchange earning of additional Rs. 9 crores from the export of iron ore from Kiriburu area.

The National Mineral Development Corporation which was set up in November, 1958 for the exploitation of minerals in the public sector, has been entrusted with two projects. One relates to the development of an iron ore mine in Kiriburu area for exporting two million tons of iron ore to Japan, and the Project Report received from the Consultants is under examination. The second project relates to the exploitation of

diamond deposits in Panna area, Madhya Pradesh, and the Corporation is making arrangements for detailed prospecting.

Now, Sir, finally I would say something about steel, about which hon. Members would be anxious to know the latest position. Coming to steel, we have every reason to regard the last financial year as a very good one. Hon. Members will recollect that production of iron started in Rourkela and Bhilai in February, 1959. Durgapur also started producing iron last December. Since then many more units in these plants have gone into production. Today there are two blast furnaces each at work in Bhilai and Rourkela and one in Durgapur. In the first two plants, that is Bhilai and Rourkela, steel is also being produced and sold in considerable quantities. Durgapur also will contribute to steel production very shortly. The first open hearth furnace at Durgapur is already being heated up. All in all, the contribution of the new steel plants in the last financial year, even at the commencement of the stage of production, has been about 7,70,000 tons of pig iron and 1,50,000 tons of steel, besides sulphuric acid, ammonium sulphate and other by-products. The expansion of the steel plants in the private sector has also been practically completed. 4,50,000 tons more of steel and 5,00,000 tons more of big iron were produced in Jamshedpur and Burnpur as compared to the previous financial year. Had we to import these quantities,—and this is important, Sir—the foreign exchange cost would have been of the order of Rs. 70 crores. This is a clear saving in foreign exchange which has naturally helped to relieve the strain on foreign exchange. Imports were curtailed to 7,50,000 tons as against 11,70,000 tons in 1958. We are now completely self-sufficient in pig iron and billets. In fact, we have already exported small quantities of them. In the course of the year, plates and sheets will be produced in Rourkela and with that the need for further imports will be confined to only special categories of steel. Before the end of the current financial year I expect the construction of all the three steel works to be completed, and except for the wheel and axle plant all the major units will be in production. Of course, one cannot expect full production to be achieved quite so soon. But practically all categories of steel should be available in sufficient quantities. This should enable us to relax controls to a considerable degree. Already we have taken some steps in that direction. For instance, consumers can now obtain their requirements of pig iron and billets by a very simple procedure of placing an indent on the Iron & Steel Controller. Stockists are now allowed to sell certain categories like heavy rounds and second class rails without much restriction. As production of other categories increases, I hope to extend the process of relaxation of these controls.

Hon. Members are aware that a good deal of the steel which is sold by big factories has to be processed further before it reaches the consumer in the shape of things such as bolts, nuts and rivets, wire and wire nails, pipes, rods, etc. Besides what are called the re-rollers, there are a number of other engaged in this process. Owing to the shortage of billets, we have had to restrict severely the setting up of new re-rolling mills. The position will be better in the future and during the Third Plan period it may be necessary to set up some new re-rolling mills in those regions of the country which are not now adequately served. The problem is engaging our attention. Meanwhile, I feel that the time has come when restrictions on production are no longer necessary in the case of smaller units. By this I mean small producers employing less than 50 workers and using indigenous equipment costing less than Rs. 5 lakhs. Hon. Members will be interested in the new relaxation that I am introducing. I propose therefore

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to issue a notification under the Iron & Steel Control Order, giving general permission to such small units not only to make things like wire and wire nails but also to roll bars and rods. The main raw material for the latter will be re-rollable scrap which is now becoming available in larger quantities.

While it will be our policy to relax and simplify the procedure of physical controls, it is quite clear to me that price control must continue. It has been suggested in some quarters that in order to stimulate consumption, the selling prices of steel should be reduced. Some even go so far as to say that a reduction is necessary to secure the sale of even what is planned already to be produced in the new plants. I have given careful thought to this matter and I am convinced that there is no need whatever to reduce the present selling prices of steel. The development policies we are following will result in a continued increase in the demand for steel. The nature of the increase in the demand for particular varieties of steel will depend upon the kind of things we plan for development in the various sectors of the economy. Studies in this regard have progressed considerably and the Plan itself will be published shortly. It seems to me evident that taking all trends into account, it will be necessary to plan for a capacity of ten million ingot tons of steel and about two million tons of pig iron, as suggested by the Working Group on Steel. It is interesting to note that a Committee set up by the National Council of Applied Economic Research has come to very nearly the same conclusion. It may be that shortage of resources may stand in the way of achieving this target. But whatever be the target, it is obvious that the three steel plants in Rourkela, Bhilai and Durgapur will have to be expanded and the construction of a new steel plant taken up. All our steel plants have been laid out for expansion. The most important of these 'built-in-facilities' is the size and capacity of the blooming mill which is about 2 to 2½ million tons in each of the steel plants. It would then seem at first sight that the economic expansion of each of the steel works should be to this capacity. But in deciding the stages of expansion it is necessary to bear in mind the demand for particular products. In Bhilai, for instance, we have been able to secure foreign exchange resources for expansion up to 2.5 million tons. But, for some years it is not likely that the demand for particular categories which can be produced from this plant will be more than 2 to 2.1 million tons. During these years the effective production will therefore be 2:1 million tons of steel. The balance will be in the form of pig iron, which is also badly needed in the country. On similar considerations, we propose to expand Rourkela to the stage of 1:8 million tons and Durgapur to the stage of 1:6 million tons. I would like to add that these are the order of figures, and not to be taken as exact figures. A Committee is now going into the details and we hope to take up the designing and construction of these expansions before long. These should result in an increase in capacity by about 2.5 million tons of steel in terms of ingots. Adding this to the six million which we shall have, the availability of steel towards the end of the Third Plan period will still be only about 8:5 million tons in terms of ingots—on the assumption that all units will work to full capacity. I have little doubt that the actual demand for steel at that time will be much more than actual production. It will, in all probability, necessitate further imports unless steps are taken from now on to create further capacity. That is why I consider it essential to take up the construction of the fourth steel plant. It is essential not only to meet shortages which might otherwise appear towards the end of

the Third Plan period, but also to provide the nucleus for further expansion in the next Plan period. One should not forget that once Rourkela, Bhilai and Durgapur are expanded, the scope for further expansion of these, in the Fourth Plan period, will be correspondingly limited.

The other day I was asked whether there was a clearer picture available now of the costs of the new steel plants. Hon. Members will recall that I had said that the steel plants proper would cost Rs. 170 crores in Rourkela, Rs. 131 crores in Bhilai and Rs. 138 crores in Durgapur. This was exclusive of the cost of ancillaries and escalations, as I said at that very time. Meagre as the information available to us then was, we attempted a forecast of the likely expenditure on ancillaries, that is Rs. 120 crores. The Hindustan Steel has been examining these estimates in the light of actual work done and work remaining to be done I expect to have the results of this examination by about the middle of the year. Meanwhile, from information available so far, it appears that the estimate of Rs. 170 crores for the Rourkela steel plant proper will, generally, hold good. There may be some increase in the cost of ancillaries resulting mostly from increased quantities in civil engineering. In Bhilai, there is likely to be an increase in the cost of the steel plant proper as well as that of the mines and quarries, owing primarily to increase in quantities of work over those originally estimated. For similar reasons—mostly increases in quantities of work—the estimate of Rs. 138 crores for the Durgapur plant will be exceeded. Escalation, in the case of all the projects, is on claims which are scrutinised and paid for separately. Until all the claims have been received, it is difficult to say what these will amount to, but these will be considerably less than 15 per cent which, for instance, was the ceiling we had in mind in concluding the contract for Durgapur.

In addition to the steel plants and their ancillaries, the Hindustan Steel is also responsible for the construction of a fertiliser plant in Rourkela, a pipe plant for the manufacture of oil pipes also in Rourkela, and for four coal washeries. These together will cost about Rs. 40 crores. The fertiliser plant which will produce 580,000 tons of nitro-limestone a year is expected to go into production before March, 1962. The pipe plant which will produce over 100,000 tons of large diameter pipes annually will be in production well before the end of the year. Apart from supplying about 50,000 tons of pipes to carry oil from Naharkatiya to the Nunmati and Barauni refineries, it will be available to meet further demands for oil and other large diameter pipes.

Besides all these, there is another project of importance and that is the plant for the manufacture of alloy and special steels. Unlike ordinary steels produced by conventional processes in large integrated iron and steel works, alloy and special steels require specialised equipment and processes. It is for the manufacture of high grade alloy and special steels, required in small quantities for specific purposes, that a separate plant is proposed to be put up in the public sector. In order to use more intensively an Indian consulting agency and to develop confidence in this line, a contract has been concluded with an Indian firm of Consulting Engineers. Provision has been made in the contract with the firm for alternative schemes—one for a plant of 40,000 tons capable of rapid expansion to 80,000 tons and the other for a plant of 80,000 tons capable of rapid expansion to 160,000 tons and ultimate expansion to 300,000 tons a year capacity. Technical advice has been that special steels are best made from clean scrap. Because of this and as it will be easier to build quickly on a developed site with power and water laid on, the Consulting Engineers have been asked to consider the suitability of sites

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adjacent to the steel works in Rourkela, Bhilai, Durgapur and Bhadravati. I hope that once the detailed project report is received we would be able to make satisfactory arrangements for the supply of plant and equipment and for the provision of 'specialist knowledge' required for the manufacture of certain grades of special steels for the manufacture of which there is no experience or knowledge at present in this country. The bigger scheme, which is what we are likely to go in for, is estimated to cost about Rs. 35 crores.

I am grateful to you and to the House for patiently listening to a description of what happened over the last year. I have also ventured to give a picture not only for the next year, but some idea of the developments which are in sight for the next Plan period.

**Shri Narayanankutty Menon:** May I ask for some information which even the Research Department could not get from this Ministry? What is the total expenditure that has been incurred by this Ministry on the Indo-Stanvac project from 1953 to the end of March, 1960?

**The Minister of Mines and Oil (Shri K. D. Malviya):** Roughly about Rs. 8 crores.

**Shri Narayanankutty Menon:** Is it expenditure incurred by the Government, your share?

**Shri K. D. Malaviya:** No, it is the total. Our share is 25 per cent. The last contribution was about Rs. 25 lakhs. Twenty-five per cent can be calculated.

**Mr. Speaker:** Rs. 2 crores out of Rs. 8 crores.

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**Shri Narayanankutty Menon:** The Report on the working of this Ministry in two volumes circulated to Members of Parliament is so primary in its character that it can be prescribed as a textbook to the lower secondary school. I listened to the speech of the hon. Minister, and I think it can be very well prescribed for the school final examination. Members of Parliament, when they are given information about the Ministries, should be treated with a little more care, so that we know the intricate working of the Ministry, how the allotments made in the current and previous years have been used, and the prospect before the Government in the coming year. This year is more important, because we are just on the close of the Second Five Year Plan, and we are on the eve of the Third Five Year Plan, and, therefore, the debate on the Demands of this Ministry this year assumes greater importance.

Because of want of time, I am compelled to confine myself to the oil part of this Ministry. When we review the work that has been done during the Second Plan period, we find that in spite of the good work that has been done by the innumerable technicians of this Ministry in the oil field, there has been a systematic attempt on the part of somebody to obstruct the work, as far as oil exploration is concerned.

I say so, because first, the Planning Commission gave only Rs. 7 crores for oil exploration in the Second Plan; later on, it was increased to Rs. 11 crores; and then, it was increased to Rs. 18 crores; again, it was increased to Rs. 30 crores. The ultimate result was that because the money did not come in time, the work has very miserably suffered, and as against what might have been done with this sum of Rs. 30 crores, we got the result of only of about Rs. 5 to 10 crores.

We want to know at this time whether Government are going to take

such an attitude in order to get the money needed for these particular purposes during the Third Plan period that they would get the money in an instalment way or in a haphazard way, or whether Government have a concrete plan to place before the Planning Commission, so that we may get a comprehensive picture of the shape of things to come during the Third Five Year Plan period, failing which whatever has happened during the Second Plan period, namely the absence and lack of planning, as far as this Ministry is concerned, will be repeated in the Third Plan period also. I hope that this House will never expect this Ministry to bungle in finances, as they have bungled during the Second Plan period.

The hon. Minister has just reminded the House of the relevant paragraph of the Industrial Policy Resolution wherein it has been said that the exploration of oil has been set apart exclusively as a responsibility of the State. Whatever the hon. Ministers have uttered subsequent to the Industrial Policy Resolution, after it has been reaffirmed in 1957 by this House, and also the speeches made by the hon. Minister of Mines and Oil in both the Houses of Parliament, and also at Dehra Dun, at Cambay, at Baroda and at many other places, have given us the impression that the Industrial Policy Resolution still stands. But the doings of this Ministry and also certain utterances made by the hon. Minister just now while commending these Demands for the consideration of this House, raise legitimately a presumption that they have just put the Industrial Policy Resolution in cold storage.

When the thing is so clear that the oil exploration part of it is to be the exclusive responsibility of the State, how does it arise that the private sector has to be invited for participation in oil exploration? Nobody could understand this. And we demand a categorical answer from the hon. Minister as to whether his Ministry proposes by an executive order, to amend and also modify the Industrial Policy Resolution, without the consultation of this House, and to face this House with a *fait accompli* at the end of the Third Five Year Plan saying that the circumstances had forced them to modify the resolution. That is the sum total effect of the amendment of the Petroleum Concession Rules and also the different speeches made by the two hon. Ministers during the last six months.

The total requirement of oil in this country in 1958 was 5.8 million tons, and by 1967, the Ministry's estimate is that our requirement will be 10 to 12 million tons, provided the consumption pattern of enegry remains as it is now, but there is every possibility that with the tempo of industrialisation rising, the consumption pattern of energy will undergo a radical and revolutionary change. Therefore, it is quite legitimate for us to expect that at least the Third Five Year Plan target for the consumption pattern of energy will be about 15 million tons of oil. Our only question today is this. What is the plan of the Ministry to get 15 million tons of oil by the Third Five Year Plan period? Are they going to rely upon the foreign imports that they are getting today, which, it has been estimated, will result in a drain of Rs. 1,000 crores of foreign exchange by the end of the Third Five Year Plan period? Or, are they going to become self-sufficient in oil by the end of the Third Five Year Plan period? That is the whole question that is facing this Ministry. The work of this Ministry so far will not give an encouraging answer to us, because if we compare what they have stated in the blue-book on the second Five Year Plan and what they have stated in 1958, we find that the performance has been miserably disappointing. For, we find, after spending so much money, at the end of the Second Five Year Plan period,

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we have found out some oil, but that oil cannot be utilised.

The present production as envisaged is 3 million tons from Naharkatiya, half a million tons from Digboi subject to correction by the Assam Oil Company bosses, and also 1.5 million tons from Cambay, and the total of 7 million tons during the Third means that we shall still have a gap of 7 million tons during the Third Plan period. Have the Ministry got any plan to find out 7 million tons of oil in order that India will become self-sufficient in oil which is so strategic for industrial development

According to the proposals that we have read in the newspapers—because, these people are never in the habit of telling us what they have proposed to the Planning Commission or what is going on there; they will come to us only when the ultimate result comes out, saying that there is so much of failure because of this and that—we find that the Ministry has proposed Rs. 400 crores for the Third Five Year Plan. There is no time for me to go into the details, but everybody will understand that Rs. 400 crores for the development of the entire oil requirements of this country are so inadequate, because oil requires more money, and at least about Rs. 750 crores will be a reasonable estimate for oil during the Third Five Year Plan period.

The Second Five Year Plan was the plan of steel, and we are very proud that something has been done for steel production during the Second Plan period, in spite of the lapses. Let the Third Five Year Plan be a plan of oil, so that we shall become self-sufficient in oil, and we shall save Rs. 1000 crores of foreign exchange during the Third Five Year Plan period; and we shall not be at the mercy of the foreign oil companies for this strategic material called oil, and its concomitants both in industry and in defence and we shall be an industrially free sovereign country by the end of the Third Five Year Plan period. For that purpose, Rs. 750 crores would be required. The hon. Minister should not go and beg at the doors of the Finance Minister and the Planning Commission for all this money. For, according to the *ad hoc* agreements that have already been entered into, they would be getting a sum of about Rs. 30 crores by 1961, and if the report given by the cost accountant of the Government of India is relied upon, and the agreement is finalised in 1961, they will be getting about Rs. 250 crores out of the surplus profit of the oil companies alone, and, therefore, Government should provide only Rs. 500 crores. I submit that this House should take this proposition very seriously, and at least Rs. 750 crores should be set apart for oil alone during the Third Five Year Plan period, for, then alone shall we be able to get some considerable results, and we shall be able to have our own oil.

The next point that I wish to deal with is in regard to the tendency on the part of Government to go to the private sector. The reasons given are not at all convincing. In fact, there is only one reason, and that is that there is no money. When we think of the ramifications and implications of allowing the private sector any more in this industry, when we review our own experience in the past with the existing private sector which entangles the entire distribution wing of this industry, we shall come to the conclusion that if the Ministry is earnest enough in this House, then they must concede that it is very dangerous to give any foothold for the private sector in this strategic industry. They must find out some more money either by way of taxation or by getting more of the profits from the oil companies.

What has been the experience in the Indo-Stanvac project? About 10,000 square miles in one of the most geologically suitable areas for oil exploration have been handed over by an agreement signed in December, 1953 to the Indo-Stanvac Project, where we find that Government have already given a sum of Rs. 1 crores. Ten wells have been drilled by the Indo-Stanvac Project. Before the drilling, there was an aero-magnetic survey, and all sorts of other surveys were there, and they said that oil was there. But even after the tenth well has been declared dry there, the hon. Minister still comes to this House and says that they would invite private parties for participation in oil exploration. We have spent already Rs. 2 crores on this. If only the hon. Minister would have given half of this sum of Rs. 2 crores to our own people working in Cambay they would have already drilled more than ten wells and found out oil there. I am not finding fault with the Indo-Stanvac project. I am not finding fault with the company. They have good technicians, but as I have repeatedly told this House, and it has been admitted by all those who know about international oil monopoly that the big monopolists are not interested in finding oil in India; they are interested in not finding oil in this country, because if they find oil, it will cut at the profit of Rs. 1,000 crores that they are going to make in this country during the Third Five Year Plan period. Therefore, please do not think that the Standard Vacuum Oil Company is spending a sum of Rs. 10 crores in order to cut their own belly; they are spending it in order not to find oil.

There is one more danger also, besides the fact that we are spending money on these dry wells. It has been admitted by oil experts in the world that if you go on drilling in an area where oil is to be found, if you drill dry-holes there, the entire pressure of the oil-fields of the Indo-Stanvac project will be gone, and the Standard Vacuum Oil Company will be happy if after the twentieth well has been dug in the Gangetic basin no oil is found out, because then, even our own people will not be able to find oil, for, by that time, the entire pressure would have been exhausted there.

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This is not my finding. It is the experience of every country where these people have gone to find out oil, except where they could get good terms and also politically control the country. That is the experience of everybody. We should take the benefit of a little bit of this experience and we should be a little bit cautious when we talk about foreign companies.

The hon. Minister said a few months ago—in 1959—that Government was also clear in its mind as regards oil exploration. He added that oil exploration and development should not be entrusted to the private sector, even though this policy was not liked by someone in the House. He was speaking in the Rajya Sabha while intervening in the debate on the President's Address. Then he said that Government were determined to continue the nationalisation policy for business and social reasons, and Government had already decided to start manufacture of equipment. All this was said by the hon. Minister of Mines and Oil on 10-4-1959.

Now, what is the position? A pamphlet has been prepared after the Petroleum Concession Rules have been revised. There is an additional pamphlet prepared by the Finance Ministry in which they have said that every one is welcome to this country; there is no taxation and so on. All sorts of advertisements are put out and temptations are being given for the world oil interests to come to this country. And where does the hon. Minister propose to allow them to come and explore oil? It is not in an area where exploration is not already started. If it were so, I could have understood it. They are going to allow them to come in the Kutch area where seismographic survey has been completed, where

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in Cambay oil has been found out, where the Oil and Natural Gas Commission has completed the 6th well and oil and gas are coming out. Adjucent to that area, these private interests want to come.

This is what they do in every country. First, they say that no oil will be found. Then when some oil comes out, they will say it is mud water. After that, they will say that the oil that is coming out is only 50 barrels. That would be their advice then. Finally when more than 50 barrels come out, they will say: 'We also share in your venture'. If Government let them go there, they will see that no more oil comes out of the Kutch area.

Therefore, I submit that if at all the private sector—I shall come to the type of private sector that we have got in the international pattern—is to be given permission to explore oil, it should not be given in the Cambay area, because in Cambay we have found out oil overselves. They may be given permission to explore in some other areas like the Cauvery Basin or Rajasthan. But never let them touch the Cambay area where we have already found oil.

Now, I come to the comparative expenditure as between the public sector and the private sector in the matter of the processes of exploration. In the public sector, for the gravimetric survey, the expenditure of the Oil and Natural Gas Commission comes to only Rs. 14,000 per month, while in the case of the Standard Vacuum the expenditure is Rs. 80,000 and for the Canadian team it is Rs. 31,000. For the seismic survey, the expenditure of the Commission is Rs. 50,000 whereas for the same work it is Rs. 3,25,000 in the case of Standard Vacuum and Rs. 1,28,000 in the case of the Canadian team. As regards geological survey, the expenditure of the Commision is Rs. 14,500 whereas it is Rs. 35,000 in the case of the Indo-Stanvac project. As regards drilling also, the expenditure of Standard Vacuum is Rs. 800 per foot while Government themselves know that for drilling in Cambay, for which accounts are not finalised, the expenditure will not be more than 350 per feet. This is the difference between the public and private sectors.

As regards the question of inviting the private sector, let us not get into the oil monopolies. There are certain concerns in the international oil business with whom we can participate. There is an Italian company, the Indo-Corburi which has entered into an agreement with the Iranian Oil Company. I said three years ago that the terms here were a little better, because the Italian company does not want to have a stranglehold or monopoly of the oil there. So if the private sector is to be given something, Government can enter into an agreement with a new party, the Indo-Corburi, whose terms of agreement with the Iranian Oil Company, as I said, are a little better. Under that agreement, 50 per cent of the gross profit is to go to the country where oil is explored, in the first instance, and then 25 per cent of the profit is given.

People have begun to laugh at the Minister. They have begun to laugh because when the Minister declared that oil exploration and exploitation was going to be in the public sector, there were other people who were saying that it is not going to be so. It has been written in the papers a year ago that Lord Mountbatten wrote to the Prime Minister—this has never been denied—and also Mr. John D. Rockefeller had lunch with the Prime Minister, and they had impressed upon the Prime Minister that oil should not be in the public sector. There is again the Franks report which has not been published. It is said that in that report the Government have been advised not to venture into the oil business. I will read out from the *Time* magazine, which

is almost the official organ of the Republican Party. I am reading it out because it has become almost a laughing matter. This is what it says :

> "For long after India got its freedom, Socialist Jawaharlal Nehru regarded foreign investors with the narrow-eyed suspicion of a spinster convinced that friendly attentions from any man probably conceal evil designs".

Then it talks about Shri Morarji Desai and others.

> "When they got home"—

that is, Shri Morarji Desai and other people—

> "They made many policy changes. No longer in any new venture must Indians hold majority stock control. No longer are such fields as petroleum and synthetic rubber to be dominated by the 'public sector', i.e., state-owned".

This is what has been written by *Time*. There should be some truth in it. It is substantiated by the fact that the Finance Minister spent about 24 hours with the Caltex Oil Company and Standard Vacuum people when he was in the U.S. Why he spent this time with them is a matter which is unexplained. It cannot be that he was talking shop with them.

Therefore, this tendency will have to be stopped. This House should give a clear warning that we should no longer allow any more people in the private sector in this business because it will mean a new stranglehold upon our economy. They will hold our industry to ransom because the entire lub. oil is controlled by them. They will hold our defences to ransom because the whole petroleum supply is controlled by them.

Therefore, there has to be a new approach in the Third Five Year Plan whereby we must be able to stand on our own and Parliament will not refuse funds either for exploration and exploitation of oil or for setting up refineries in the country.

Now I come to the question of refineries. The majesty of the modern oil industry is fully shown in the refineries, even though in exploration more money has to be spent. Inside that sublime industrial cathedral known as the 'Cat Cracker', everything known to man about chemistry is being employed in the splitting up of the molecules of petroleum and reforming them. The petro-chemical industry has developed to form the largest part of the industry concerning manufacture of chemicals in this country from petroleum gas alone. When you go to Bombay, you find that the whole of Bombay is lit up during night time because half of the petroleum that we imported is being burnt up by the exhaust pipes that the Standard Vacuum and Burmah-Shall refineries have set up—petroleum for which we pay hard currency. From these products in this petro-chemical industry, we could easily have synthetic drugs, dyes, explosives, detergents and a hundred thousand other things which the modern Alladin of the Chemist can produce by rubbing the 'oil' lamp of the two refineries. This they have not done.

Therefore, I submit that in the Third Five Year Plan there should be a strong, basic corner-stone of the petro-chemical industry which in the USA controls 40 per cent of the entire chemical industry. So adequate provision should be made for such an industry in the Third Five Year Plan.

Talking of refineries, only this morning the hon. Minister answered a question regarding a proposal from Burmah-Shell regarding expansion of their refinery. Why do these people come with a proposal now—even though somebody else disposes? My hon. friend, the Minister, realises the folly now. They will agree that they have committed a folly. They will agree—it cannot be otherwise—that they signed the agreement with the oil companies in 1951 without having a plan regarding oil so far as we are concerned. Now the oil companies have got the check to come and tell

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the Minister that they want to increase the capacity of their refineries. In this refinery question, these people have thoroughly bungled. We have two private sector refineries on the west coast. Now they are saying that the Cambay oil is not good because it is only 'middle distillate'. So these refineries would not take the Cambay oil. Then who will take that oil? Regarding Cambay oil, we are all very happy that oil has been found there. Our Prime Minister went there and actually bathed in the oil. Surely it is a patriotic sentiment that when oil has been found in our own country, we are all happy. But what do we do with the oil? Three wells are ready for production. I am afraid that for 12 months the Minister will not be able to get a gallon oil from there because the policy of the refineries has been so mismanaged from 1951 that we cannot do anything with the oil that we get from Cambay.

Therefore, I am saying that at least now we should have an integrated plan for medium size refineries in the public sector, which is more economical. In the Third Five Year Plan, we should have at least three medium size oil refineries so that we will be able to refine and distribute the oil through our own refineries.

As regards lubrication oil, we are entirely relying upon foreign companies for the same. A start should be made in the Third Five Year Plan that we should have a medium sized refinery for lubrication oil alone. When I say this, I must point out that the southern part of the country is neglected so far as the setting up of refineries is concerned. The hon. Minister should agree to set up a refinery on the west coast.

The Caltex refinery was to be started in Cochin which is a suitable place for getting oil, and for transportation of oil. Therefore, the hon. Minister should give a refinery as far as Cochin is concerned in order to compensate for the loss that we had in losing the Caltex refinery. That refinery should either be a medium refinery for the lub. oil or a refinery for our oil.

Sir, I request you to pardon me for a few minutes because I will take 5 more minutes and I will finish.

When I come to the refinery question I will close this lap. There is another lap. We have no tankers. My friend was asking this morning whether you will compel the Burmah-Shell Company to use Indian tankers for the distribution of oil. My friend is an expert in shipping. But he does not know that we have not got any tankers. Our tankers are still controlled by the Shell Tankers Co., and unless—as we are now finding oil in Cambay—find out resources to have at least a skeleton of tankerage fleet, still we will be under the mercy of the oil companies. Therefore, in the Third Plan, you should find a plan for running a skeleton tankerage system which will develop into a full tankerage fleet by the end of the Third Five Year Plan.

Only one more point and I will conclude. That is with regard to the distribution wing of this industry. The hon. Finance Minister and the hon. Minister assured this House that we were compelled to come to an agreement with the oil companies even though it was not to our liking on the pricing question because we could not have any other course left to compel the oil companies to come down on the price question. And the hon. Minister assured us that by March 1961 we will be in a position to compete with the oil companies in the distribution, and, therefore, we will be able to compel them to come down on this. What have these people done? In spite of the talk they have had for many many months, they have not started even a distribution company. That is on aspect.

Secondly, in distribution, what have they done? Unless they have a distribution machinery, Government will

not be able to do anything. This Government has absolutely no plan because even the little storage facility the Government had in the Defence Ministry, the little storage facility with which you could have supplied Defence material, was leased out in 1958 to the Stanvac company. The Defence Ministry did not know that Government had got a policy of starting a distribution company. In Antop Hill in Bombay and in Bhusaval the Government of India had storage facilities which were wholly in the hands of the Defence Ministry. Though the Government had a policy to distribute, in 1958, they leased that storage facility out for 10 years to Stanvac. This is the policy of distribution.

The hon. Minister talks of importing oil from Russia and from Rumania. I agree it may be a good threat to the oil companies. But do not threaten the people; do not threaten us by your tall talks because you would not be able to do it. Where are you going to import oil from? You can bring the oil to Bombay or Cochin or Visakhapatnam. But nobody can bring the oil there unless you have your own installations for the storage of that oil in every port, unless you have a distribution machinery. You cannot do anything; you have not done anything so far as distribution is concerned. You ought to have done something and you should make an immediate start to have a distribution mechanism set up so that you will be able to compete with the oil companies and serve at least the minimum requirements of your Defence and of your industry by building up this distribution machinery. But 1961 there should be full storage facility.

This is the main outline. In conclusion I would say a word about our own people who have done a tremendous lot of work in spite of my criticisms, the Oil and Natural Gas Commission people. Within 2 or 3 years our own young engineers and technicians have been trained up and they are doing a beautiful piece of work in Cambay and other places. The hon. Minister showed us in the Baroda Rest House the seismic survey map of the southern part of the Godavari basin and he showed us that there is an incline and there is a parallel. Suppose, in the next month the seismic survey brings down a line, we have another oil find there. Then, I thought that if that lines comes down like a nail that will be one of the nails on coffin of the foreign stranglehold on the oil economy of this country. Everyone is proud of it because as far as oil is concerned, there is no question of party and this House is one behind the Government to find oil for our country.

But there is one thing. Is the hon. Minister, is the Government paying enough attention to that? No. The Oil and Natural Gas Commission was made a statutory body. What happened? These people who are working there have lost all their security of service because they were Government servants once upon a time. When they made the Oil and Natural Gas Commission a statutory body, they lost all their security of service. Now, they are not paid regularly. There is no security of service. And, in the constant rut of the Home Ministry, in the rules and regulations of independent corporations, in the name of autonomy, these people have been put to ransom, those who are finding out oil and who are working at tremendous sacrifice.

By mentioning one instance of the sacrifices undertaken by the foreign collaborators and also by our Indian engineers, I will close my speech. In well No. 3, on the night of 1st February, 1960, when the pressure increased and there was a leak in the wall, and when the matter was reported, two young technicians of ours who know very well that they were going into the death trap got down in order to save the well to open the wall. Two Rumanian engineers went there and in the scaffold of the big rig they got down and when the gas was spurting out and gushing out at a pressure of 3 million atmospheres, the scaffold was smashed to pieces and their

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bodies and faces were smitten to pieces. That is the type of adventure and that is the type of sacrifice undertaken by these boys. If a little word of encouragement from this House, a little word of encouragement from the hon. Minister or a little understanding on the part of the Finance Ministry or those who frame the rules and regulations had been there, this would not have happened. They are sitting there and are prospecting for oil. They are proud of it; but they have not the security of service.

There is already a talk that as soon as the seismic survey is completed in the country all the geologists who would have found jobs with the foreign oil companies on Rs. 2,000, Rs. 3,000 or Rs. 4,000 and who have been working for you for Rs. 400, Rs. 500 or Rs. 300 in the name of national oil industry will be simply thrown out because there will be nobody to look after them. I would, therefore, request the hon. Minister to realise the patriotism of those boys because people who talk so much about patriotism do not realise real patriotism of these boys. Go to Cambay and see the oil spurting out and the patriotism displayed by these boys. That is real patriotism. If you really feel proud of them give them security of service. You may not bring them in line with the foreign oil companies, you may cut down their salaries miserably to 25 per cent of that; but give them a decent living wage so that they may feel that they are doing a good job.

I conclude by making an appeal to the hon. Minister. Let us not commit the folly that we committed before. Of course, everybody is responsible. We did not know anything of oil in 1951. But let us not repeat that. Let us have a new start with the Third Five Year Plan. When we are standing on the threshold of the Plan let us declare to the world that by 1967 India shall not only produce 15 million tons of oil, but India shall refine 15 million tons of oil and India shall distribute the 15 million tons of oil. by that we will be saving thousand crores of rupees. So, if we can really achieve that, if that is the plan before the Planning Commission and if it is accepted we can be justified in saying that this Ministry has done a good piece of work.

One more line regarding the Planning Commission and regarding the Finance Ministry and I will finish. Now talk is going on that the refinery should not be in the public sector. We do not understand why these people have this kind of talk. Why should it not be in the public sector? There is a talk of having a refinery in Saurashtra. Why hand it over to the private sector; why not have a refinery of your own? I hope these people would think of our oil in Cambay, in Ankleshwar, in Naharkhatia and in Moran. Do not think of oil from the Persian Gulf. We are not going to rely on the Persian Gulf oil. If you think on that line, think of the miserable failure and the woe that has been brought by the private sector refineries upon the industrial consumption pattern and economy of this country. Nobody can afford to think about the private sector in oil. Therefore, the refinery should in the public sector.

I can even say that if the hon. Minister has no option before him that either you should have the refinery in the private sector or you do not have any refinery at all for two years, I will stand for the second that you do not have a refinery at all because you will not do damage to the economy. At best the oil will not be there. Therefore, taking all these factors into consideration, I say be bold.

We want a categorical assurance in this debate to the House that it will not restep the policy that has been enunciated in Industry Policy Resolution and that not only finance but everything that may be necessary will be found in the Third Five Year Plan. If the Minister finds any difficulty either with the Finance Ministry or with the Planning Commission, he has got every right to come to the House

and the entire House will be behind him in his dealings with the foreign oil companies or in his dealings with other parties so that we shall be self-sufficient in oil.

**Shri Somani** (Dausa): Mr. Speaker, Sir, we had just now from the hon. Minister a very impressive picture about the various fields with which this Ministry is dealing. I would like mostly to confine my remarks to certain aspects of the working of the Ministry of Iron and Steel.

Steel, Sir, is the foundation of modern economy and, indeed, the production and consumption of steel in any country may be regarded as one of the criteria for determining the industrial standard of a modern industrialised economy of any country. Our production of steel is so low that India stands almost at the bottom compared to the various other countries of the world. Our *per capita* consumption of steel is only 11 pounds compared to 1,237 pounds in U.S.A., 628 pounds in U.K. and 540 pounds in Australia.

It is, therefore, very gratifying to see that we have been able to create a new chapter in the production of steel in our country. I would therefore, like to take this opportunity of congratulating the Ministry of Iron and Steel for the performance which they have been able to show in the setting up of the three giant steel plants in the public sector. There have been, no doubt, many lapses and many misgivings and many deficiencies in the task of implementing the construction work of these three giant steel projects, but talking from the overall point of view it will be appreciated that simultaneous construction of these three new steel projects has been undertaken in a manner which should evoke appreciation from all sides of the House.

At a time when we were faced with such acute problems of scarcity of mtterials and personnal, we can very well realise the magnitude and complexity of the task with which the Ministry was confronted and, indeed, therefore, it is remarkable to find that at least we are now in the final stage of construction and the steel projects have begun to produce pig iron and steel, although it may be that actually the estimates both about the capital outlay and about the time for the completion of these projects may have been exceeded compared to the original estimates.

I would, Sir, in this connection, like, at the very outset, to draw the attention of the hon. Minister to certain remarks made by the auditors of the Hindustan Steel Limited. It appears that the company has still not realised the urgency of introducing industrial accounting and costing systems in the records and working of these huge steel projects. In any business organisation, whether big or small, the necessity for keeping accounts and costing systems on sound and scientific lines cannot be over-emphasised. I would therefore like to be enlightened by the hon. Minister about the nature of the steps which his Ministry has taken to ensure that the remarks and observations made by the company's auditors as well as by the Auditor-General will be considered carefully and steps will be taken to see that there will be no occasion for a repetition of these remarks.

Coming now to the question of estimates, the hon. Minister has given certain ideas even in the statement which he made today, but it will be desirable that in the very short period—about which he has given an indication, say, within a period of two or three months—he should be able to take the House into confidence about the exact capital outlay incurred in the completion of these three projects. So far as the escalation clause is concerned, now that the plant and machinery have been delivered, and I think it is the practice of machinery manufacturers to send their claims for escalation clause, the hon. Minister should have been able to tell us today about the nature of the incidence and the increase caused by the operation of this clause. I hope, however, that at the time when the final accounts for the year ending 31st March, 1960 will be presented by the Hindustan

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Steel Limited, it will be possible for the company to give an exact picture of the total capital outlay so as to give a correct picture, and that the various estimates which have been presented to the House from time to time need not be gone into.

Now, Sir, in this connection, the next point that I would like to raise for the attention of the hon. Minister is about the pricing policy about which he has stated before and he had to say something again this morning. Firstly, I would like to know the formula or the procedure which the Hindustan Steel Company proposes to follow in fixing prices for the public sector projects. I would like to know whether like the private sector the costing will be done by the Tariff Commission and the price structure will be based on the recommendations after the examination of the costing structure by the Tariff Commission. It should be clarified whether the policy that is being followed by the Government in fixing fair prices for the private sector projects will also be followed by the public sector projects. I hope the hon. Minister will clarify this point.

I am, however, very much disappointed to learn from the hon. Minister that he has no idea of revising the retention prices.

**Sardar Swaran Singh:** Selling prices, not retention prices.

**Shri Somani:** Not the retention prices of individual units, but the selling prices for the public. After all, when the supply of steel is being eased to such a considerable extent, it is only fair that these small industries using steel should be encouraged by the reduction of the prices of steel. When, Sir, there is no longer any need for importing any substantial quantities except of the special varities of steel, it is time this policy should have been reviewed and the Ministry should have ensured some reduction in the selling prices to the small users of steel which would have encouraged consumption of steel by these units. I, therefore, do not see the logic that has been given by the hon. Minister that so far as selling prices are concerned the Government have no intention of making any revision.

Another suggestion to which I would like to draw the attention of the hon Minister is the desirability of inviting equity participation from the public investors. I had made some such suggestion even in the past, and I now find that this suggestion has received support from so many quarters. The Estimates Committee also has accepted this suggestion. I have seen some Press reports to the effect that even the Planning Commission is in favour of our public industrial undertakings going in for attracting investments from public investors. Over and above that, the desirability of attracting foreign collaboration in equity capital may also be explored. At a time when there is shortage of foreign exchange and when these steel projects have already begun production, it should be possible to negotiate collaboration arrangements with foreign entrepreneurs so that to some extent our needs of foreign exchange for the expansion programmes of the units may be met by the equity participation from the foreign countries. I therefore, submit that this important question of attracting equity capital in our huge steel undertakings should be explored and a decision should be taken at an early date to see that our resources, both internal and external, are tapped for the future development and expansion of this industry.

This will, Sir, in my opinion also lead to better accounting and the functioning of these units on a purely commercial basis. Once you have public shareholders on your company, it will be compulsory for that corporation to function in a commercial manner. It will have to present its accounts and balance-sheets in the usual method in which the private sector companies function. I think

from that point of view also it will be desirable to attract equity capital for our steel projects both from internal as well as from external sources.

So far as the target of expansion is concerned, whether the target is fixed at ten million tons or a little less, there is no doubt that the expansion programme will require enormous amounts of resources. In this connection, I would like to know the policy of the Government in regard to certain reports which have appeared in the press about the interest that is being shown by America in the steel projects of this country. The question might arise whether the establishment of a fourth steel project in the private sector will be considered by the Government in case Americans show sufficient interest in the establishment of such projects in this country. It will be helpful if the Ministry could take a decision to ensure that the interest that has been shown by America is taken to its logical conclusion and conditions are created for the establishment of a steel project in collaboration with American interests.

I would like to say something about the functioning of the steel projects in the private sector. We had seen recently some press reports to the effect that already the two big steel companies, namely, Tatas and Indian Iron, have applied to the Ministry for a further substantial programme of expansion of their respective units. That is what Mr. Ghandy has said recently at a press conference. It has already been reported in the press that the Tatas at any rate have applied for an increase of 7½ lakh tons as a programme of expansion for their unit and that that proposal was sent to the Ministry as long ago as August, 1959. I had expected that the hon. Minister would have thrown some light in his opening remarks about the policy which the Ministry proposed to follow in regard to future expansion programmes of the private sector units.

In that connection, the question of prices also becomes of special significance. After all, if the private sector companies are to fulfil any additional target that may be allowed for them, under the third Plan, naturally the retention prices which are allowed to those units have got to be based on a realistic view so as to ensure that a part of the additional resources for their expansion programme is met by the prices which are allowed to those units. The Tariff Commission made recommendations in this regard, and the Government, on the basis of those recommendations, have allready allowed the element of expansion cost to be included in the fair selling price and there is no reason why this arrangement should not continue. It will, therefore, be very desirable both from the point of view of their planning and the target which we have set for the third Five Year Plan, that the Government's policy in regard to the function of the private sector companies, both as regards the size of expansion and also the resoures which will have to be made available to them in case they are allowed to expand substantially, should be declared soon. The policy of the Government should be declared so that the respective units may be in a position to formulate their programme accordingly.

At a time when there is a scarcity of resources and when the private sector units have got a very old and experienced organisation at their disposal, it is essential that the fullest possible scope and incentive should be given for those units to expand. After all, it will be appreciated that it is always much more economical for the expansion programme to be carried out rather than to allow new units to be established. From this point of view, I urge that not only the expansion of public sector projects about which the hon. Minister gave some indication in the morning but also the expansion programme of the private sector units should receive proper attention.

There were some disquieting reports that appeared in the *Times of India* two days ago in regard to certain

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statements that appeared in a certain journal. I had thought that the hon. Minister himself would have enlightened the House as to the nature of the deficiencies and defects which have been highlighted in those reports. But, in any case, I think the hon. Minister should take the House into confidence, because, judging from the report of the Ministry as well as from the hon. Minister's statement, there does not seem to be any justification for the very serious and alarming picture which the press reports have portrayed. I hope and trust that the hon. Minister will take the opportunity, in reply to the debate, to point out the nature of the defects and deficiencies in the Rourkela plant about which so much has appeared in the German press.

So far as the functioning of the public sector projects is concerned—I refer to the Hindustan Steel, Ltd.—I think one Central Board can hardly do justice to the enormous responsibilities of managing all these three steel concerns. Even if it is not feasible to split this company into three separate units, it should be possible to have three regional advisory boards, one board attached to each project, so that the working of the projects is reviewed independently. It should not be the responsibility of the Central Board alone to ensure the management of all the three steel projects. After all, the hon. Prime Minister the other day, in his address to the All-India Manufacturers' Organisation, suggested the idea of a healthy competition between the public sector and the private sector projects. That is very welcome. But I think we should also go a step further and have a healthy competition among the public sector projects themselves. There should be a competition among these three public sector projects in the matter of steel production, and that competition can only be ensured if some individual management is attached to each project. I hope the Minister will examine whether it would be feasible to have a separate local or regional board for the management of these three projects.

The last point that I would like to make is about coal. I find that there will be some deficiency so far as the achievement of the target for coal is concerned. We had a target of 60 million tons in the second Five Year Year Plan, and it appears that we may have a shortfall of about seven million tons both in the public and in the private sector. Now that we are thinking in terms of 90 million tons as the target for the third Plan, it is advisable to review the development of the coal industry in both the sectors and adopt a policy which will ensure that there will be no shortfall in production.

Indeed, recently there have been disquieting reports about the shortage of coal from various centres, and since our whole industrial economy depends so much on the proper and adequate supply of coal, the Ministry should take proper steps well before-hand to ensure that no shortage will be allowed to confront our progress. From that point of view, the various suggestions and statements that have recently appeared, as having been made by the spokesmen of the coal industry, should be properly examined. There should not be any ideological restrictive policy so far as the development of the private sector is concerned. If the private sector is in a position to develop the coal resources faster, there is no reason why the fullest possible opportunity should not be given to the private sector for the development of coal resources in our country. I do hope and trust that the various grievances which have been put forward by the representatives of the coal industry will be sympathetically examined and that Government will take proper and timely action to ensure that the production of coal will not in anyway be adversely affected.

My last point is about the Rajasthan copper project. Some reference was made to it by the hon. Minister in his opening remarks and there are also references to it in the report itself. This project is already long over due. In my opinion, the private sector was in a better position and

they could have already taken steps to implement this project some considerable time ago. At a time when we are suffering from shortage of copper, it is essential that full priority should be given for the development of the copper resources and I do hope and trust that early action would be taken to ensure that the copper deposits in Rajasthan will be fully exploited.

**13.41 hrs.**

[DR. SUSHILA NAYAR *in the Chair.*]

**Shri Viswanatha Reddy** (Rajampet): Madam Chairman, after the very eloquent and impassioned appeal made by Shri Menon in regard to the oil industry, by and large, I would like to confine my remarks to the very same points raised by him. Before I do so, I would like to run through a few points pertaining to iron and steel and also mining, because those points arise out of the statement made by the hon. Minister this morning.

I fortified myself with facts and figures regarding the re-rolling industry in this country and I wanted to take the Ministry to task for not allowing more units in the re-rolling industry. But this morning's statement by the Minister has completely reassured me and I am very happy to know that he is going to issue a notification asking for free licensing of re-rolling mills of certain capacities.

**Sardar Swaran Singh:** No licensing; they are just permitted.

**Shri Viswanatha Reddy:** It is better. Then, I was hoping that he would make some reference to the electric furnaces for melting steel scrap. I find from the figures supplied by the Ministry that we have as much 600,000 tons of scrap available in this country. Out of this tonnage, the existing capacity for melting of steel is only of the order of 150,000 tons. This excludes 28 units sanctioned recently with a capacity of 187,000 tons. Even if this is added, still we have as much as 200,000 tons of scrap available in this country, which can be usefully melted and used in various steel industries. I hope some thought will be bestowed with regard to this also.

I would like to congratulate the persons who were responsible when the decision was taken to instal the LD process in the Rourkela steel plant. At the time when this decision was taken, we did not know anything about the LD process and it was a new thing. It was really a bold decision to be taken at that time. But things have completely justified this decision having been taken. We have been told that by the LD process, steel can be manufactured at least three times faster than in the conventional open-hearth process. Besides, we also get a large quantity of nitrogen, which can be used for nitrogenous fixation of soil. So, I would like to congratulate the persons responsible for taking this decision.

This morning, a reference was made by the Minister to the integrated lignite project. We were very happy to know that by the middle of 1963, all the various branches of this integrated project will come into being. I am sure the southern part of the country, which is looking forward to the full development of this project at an early date, will take this news with a great amount of joy. South has been starved of power. Even the hydro-electric projects are not coming up—many of them—in the third Five Year Plan, thanks to the niggardly attitude of the Planning Commission. If it is possible to complete this project even earlier than 1963, I think we from the South will be very happy about it.

With regard to the mining industry, it has been noticed that in our country, there were not those big-hearted or large-hearted prospectors who would be prepared to stake their everything and even risk their lives in trying to discover the various minerals. Such of those mines that exist today are suffering from a great amount of disability. We do not have proper analytical laboratories in our country. The facilities that the Government offers for the private prospector are practically nil. To add to

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all this, the process of getting licences for mining leases and prospecting leases and even certificates of approval is a long drawn-out affair. Several times I had the opportunity to point out to the Ministry the difficulties experienced by the private prospectors in obtaining the licences, but still, in spite of the amendments to various rules, these difficulties remain. In these circumstances, if we do not have large-hearted prospectors in our country, that is not a matter about which we can show much surprise. I hope this matter will be attended to by the Ministry and the procedure would be streamlined suitably, in order to avoid these difficulties.

I had occasion in the past to make a reference to the Bureau of Mines. I am convinced that the status of the Bureau of Mines should be upgraded. To my mind, the Geological Survey of India tackles the fundamental aspect of the mineral industry, if one might put it that way, whereas the Bureau of Mines tackles the applied aspect of the mineral industry. The responsibilities that are devolving increasingly on the Bureau of Mines during the past few years are enormous and those responsibilities are being discharged with a great deal of credit to the Bureau. In these circumstances, I would suggest that if this Bureau has to function with some amount of responsibility and joy, I should think the Bureau's status should be increased and more money, more technical personnel and more equipment should be allocated to it.

One last thing about steel which I would like to mention is, I was very happy to learn from the statement of the hon. Minister this morning that the Ministry is already thinking in terms of expanding the steel industry in the public sector. They are thinking of expanding it to the extent of 10 million tons, not only by mere expansion, but also by having new steel units in the country. In this connection, I would like to bring to the notice of the Ministry, a resolution unanimously passed by the Andhra Legislature recently. I would not read the whole resolution. I would only like to read the opening portion of this resolution, which says:

> "The Assembly hereby recommends that the Government of India be requested to set up in the Third Five Year Plan period at least one unit in the State for the manufacture of iron and steel."

I might incidentally say that all the resources, natural resources, required for the starting of a steel industry in Andhra are available there, namely, iron ore, lime stone and other materials.

I heard with great attention the remarks of my hon. friend, Shri Narayanankutty Menon, about oil. If the Government of India do not have any other activity but only the exploration of oil, all the suggestions made by Shri Menon could possibly be implemented. Without even trying to pay a compliment to the Ministry for the achievements that they have to their credit during the last three or four years, he has taken the Ministry to task for various acts of omission. For instance, he suggested that the exploration of oil should take place simultaneously all over the country, without realising our limitations by way of equipments, by way of trained personnel and also financial resources. Government are trying to do their best with the limited resources that they have in their hands, and the results achieved are quite significant. Without trying to understand these results, I am sorry that my hon. friend has not been able to pay even a left-handed compliment to the Ministry.

A reference has been made to the recent change in the Petroleum and Natural Gas Rules. These changes have been necessitated, I am told, having in mind the need for producing as much as 10 million to 11 million tons of oil before the end of the Third Plan. We have nearly 400,000 sq. miles of oil-bearing strata in this country and those areas will have to be surveyed as soon as possible. A

large portion of this area is being surveyed by the Oil and Natural Gas Commission, but it is thought that this area cannot be surveyed, in spite of the best efforts of the Government, within the period that we have in mind. Therefore, a certain relaxation in the rules has been made, without violating the principles of the 1956 Industrial Policy Resolution. Under these changed rules, I have been told, under certain conditions which are to be fixed by the Government in consultation with Parliament, foreign oil explorers are to be allowed to operate in this country. Although ideologically I am very much opposed to inviting foreign oil interests any more into this country, having regard to the exigencies of the circumstances, I hope the Government will use the powers vested in them in the wisest possible manner. So, the mere amendment of the rules that has taken place need not cause any anxiety in the mind of my hon. friend.

There has been a reference in the Report of the Ministry to an attempt at changing the pattern of production in the oil refineries that are functioning today in the private sector. In their expansion programme it is suggested that the pattern would conform to the demand for various petroleum products that exists in the country today. It is a happy development and I hope the hon. Minister would bestow thought to see that in the refineries that are likely to come up in the public sector proper care would be taken to see that the pattern of production in those refineries would conform to the demands that arise in our country.

Now I want to make a brief reference to the oil price policy that has been pursued.

**Mr. Chairman:** The hon. Member should conclude now.

**Shri Surendranath Dwivedy** (Kendrapara): One would appreciate the energy and effort that the hon. Minister is putting to make this job of Steel, Mines and Fuel a success, on which depends the industrial progress of this country. But, at the same time, we should not be blind to the drawbacks and failings as regards steel production in this country. This Annual Report does not give a clear picture, I would say a correct picture, as to what extent we have been able to achieve our targets and whether in the future we are going to make a good show.

It has been the constant effort of the private sector to malign the steel industry in the public sector and it is up to the Ministry to give us a clear picture so that this sort of propaganda in this country does not hold any water. But if you see this Report, there is no mention about the recomendations made by the Estimates Committee. I am really surprised at it.

When, for the first time, the Hindustan Steel Company came into being, it was a good thing that the Estimates Committee thoroughly went into this question and made certain valuable recommendations. It would have been good if the Ministry in this Report had told us as to how far they have been able to implement these recommendations.

I will take only one example. They have suggested that after the running of the steel plants is handed over to the Hindustan Steel Company a review of the entire staff strength in the Iron and Steel Ministry should be undertaken. There is no indication in the Report as to whether that has been done. Further, we see that the expenditure is increasing.

Then, it is well-known that about the expenditure in Rourkela great concern has been shown in this House and outside from time to time. The Estimates Committee, which went into this question, suggested that a comprehensive statement showng the estimates of all the items of expenditure connected with the three steel projects should be prepared and presented to Parliament at an early date. Even that much has not been done.

Further, in this House there was a question in December 1958, saying that the general service charge in

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Rourkela steel plant has gone up from Rs. 13 crores to 19 crores. The Estimates Committee was given the task of examining this question. I do not know whether a correct picture as to the specific expenditure under specific heads is available even now.

I would again refer to the Estimates Committee because they are now talking of the fourth steel plant. The Estimates Committee have suggested, and rightly so, that an expert committee should be appointed, comprising persons well versed in industrial financial ,legal and technical matters, to make a more comprehensive study of the projects with particular reference to the agreements with consultants, projects, reports, contracts, arrangements made for training the personnel etc., not necessarily to pick holes in regard to them but to enable with their help to make suggestions for avoiding difficulties in future. The Committee also recommended that the report of the team so appointed should be made available to Parliament. Where are these reports? It will be seen, therefore, that these recommendations are making no effect whatsoever on the Ministry, which is going on its own way, creating difficulties; not only difficulties but something more. I think the news that has appeared in the papers recently has disturbed the public.

But, before going into Rourkela affairs, for which I want to devote most of my time, I want to make a reference to the foreign personnel working in different steel plants. The Report of the Ministry, does not give figures for all the three steel plants. But we find that in Bhilai there are as many as 858 experts. I do not know what sort of experts are they, whether technicians or mere fitters, this or that. A technical committee was appointed by the Hindustan Steel Limited to determine the foreign personnel in each plant, and they suggested that the total number of Russian experts required in Bhilai is 279 including 21 engineers of high supervisory character.

**14 hrs.**

Then, for Rourkela and Durgapur they estimated that in the officers' grade 63 and 59 non-Indian experts would be required for short periods as distinct from those who might be brought as commissioning teams. This recommendation was made long back, but still we do not know why and for what purpose so many foreign personnel are still in Bhilai. Are you under some obligation on account of the agreement that you have reached with this country that you will go on maintaining such a large number of foreign personnel with fat salaries?

As you know, in the other House the other day an allegation was made which has not been repudiated as yet, that this money which is being given to these foreign personnel in Bhilai as salary is being utilised in this country for political purposes and is going into the hands of a particular political party. I want the Government to contradict this. I think the Ministry owes an explanation as regards this.

Then I come to Rourkela. It will be seen from a cursory glance of this report that whereas is has been stated that Bhilai in its entirely will be completed by the second quarter of 1961, as regards Durgapur and Rourkela no such mention has been made. As I have already mentioned, the reports about Rourkela are rather disturbing. It has been admitted in the report itself that the first blast furnace which was commissioned in February, 1959 and which has a capacity of 1,000 tons per day has not been producing this quantity. The second blast furnace has also been commissioned in January, 1960.

When we were asking these questions very often we were told, "No, there is nothing wrong. Things are going on well, this and that." But here is a statement made by Dr. Heinrich, who is one of the experts connected with Krupp-Demag and who visited this factory. I have verified this account which has appeared in the *Times of India*, although the

account seems to be lopsided or one-sided. It has made a comparison between the progress of Bhilai and Rourkela. There can be no comparison between the two because Bhilai and Durgapur are old-fashioned steel plants whereas Rourkela is the most modern one. It may take months or it may take years before it gives us full production. So there can be no comparison in that respect. But here is an admission in which he is believed to have noted that—

> "the present production of Rourkela was not more than half its installed capacity, that in the entire set-up there was no 'works organisation' and that already 35,000 tons of steel slabs had been piled up because they could not be sold as such (there was no sales organisation to handle the product) nor could they be changed into other products (because the necessary machine shops had not yet been set up)."

This is a very serious statement I would say, that is, this admission of the things that are going on in Rourkela. I want to know whether these defects were pointed out to the Ministry or not. These teething troubles of the Rourkela factory, so far as we laymen outside know, had been pointed out by even people who have visited this factory and said that the factory is not likely to give us full production. Who is to blame for this? Is it the Germans that are to be blamed? So far as the Germans are concerned, they have nothing to do as regards the operational side of the factory is concerned. So who is to blame for this? I think the blame goes entirely to the Ministry. As I am told, the first blast furnace and the second blast furnace, both of them are working only to half of its capacity today. The Ministry has been clever enough to mention in this report that they are not working to full capacity, but they do not tell us actually what the real production in the first and second blast furnaces in Rourkela is. My information is that it is less than half.

The metallurgists say that if the blast furnaces work half to their capacity for three months they will be damaged for all time to come. They have worked already for twelve months and I think considerable damage would be done to the factory if these things are permitted to go on.

**Mr. Chairman:** The hon. Member's time is up.

**Shri Surendranath Dwivedy:** I will take 30-35 minutes. I am the only speaker from my party. That much time is always given by the hon. Speaker to the spokesman of the party.

**Mr. Chairman:** I am sorry. The hon. Speaker left instructions with me to give 15 minutes to everybody. That is what the instruction left with me is.

**Shri Surendranath Dwivedy:** But he always mentions in the beginning that every other hon. Member, who is not the spokesman of the party, will be given only 15 minutes.....

**Mr. Chairman:** He can have five-minutes more.

**Shri Surendranath Dwivedy:** I have to do justice to the subject. That is why we select only one speaker for this purpose. We do not put up many hon. Members. This will really be going beyond the convention which we are following in this House.

**Mr. Chairman:** I will send word to the hon. Speaker and ask him as to what his wishes are. He may in the mean time continue and try to be as brief as he can.

**Dr. Ram Subhag Singh** (Sasaram): The spokesmen of the parties get more time.

**Mr. Chairman:** The hon. Speaker has left with me some 20 names and some of the hon. Members will then have to be left out or hon. Members will have to be brief. The hon. Minister wants the floor at 5.15. So that is all the time that we have.

**An hon. Member:** So everything has been fixed.

**Mr. Chairman:** Let us not waste time. The hon. Member may please continue with his speech.

**Shri Surendranath Dwivedy:** I have spoken only for ten minutes.

**Mr. Chairman:** He has spoken for 13 minutes.

**Shri Surendranath Dwivedy:** I stand corrected.

What I was pointing out is that these blast furnaces are not working to full capacity and that is because of inadequate preparations that were made when the first blast furnace was commissioned. It was done in haste. I am told that even the directors of the Hindustan Steel Company passed a resolution pointing out this defect and saying that no further units should be called into action unless adequate preparations for all stages of steel production are made. Why was that not heeded to? Who was responsible for this? Is it because of the greed of the manager there who wanted to show that he could really do the job within the specified period? Who was responsible for it? Why did the Ministry not take heed when this was said by the Hindustan Steel Company?

I am not sure whether this mechanical trouble is the only trouble in Rourkela. The pig casting machine, I am told, can really work to full capacity. Why is that not being done? Who is looking after the operational side of this factory? Have we really got a good expert who can work as the works manager for the operation of this factory? We have a so-called technical adviser about whom there has been threadbare discussion in the Estimates Committee and who has no experience whatsoever of the operation and running of these new steel plants. We are not taking steps to see that some technical man is appointed at this hour; we are responsible for the operational side of it. We cannot blame others for this.

I am told that recently they have appointed one person called Shri Sambasivam from the Tatas who is a rejected person and who has no experience whatsoever about these matters. I am really sorry about it.

We were all happy and we greeted the hon. Minister when the LD process which is a new and the most modern process in the world began working there. But what has been done. Even that was started in haste and result of which is that that also is not working fully. All the three vessels are not working according to the information that I have before me. These are very serious matters. It is no good saying that we are doing well. It is necessary that we should have a satisfactory explanation before the public in order to allay the fears of the people of the country as regards its progress. I want to say that it is not only the mechanical trouble but it is also the organisational and administrative trouble that is responsible for the state of affairs in Rourkela.

**Mr. Chairman:** I might tell the hon. Member that the hon. Speaker has sent word to me that I might give him 22 minutes. That will mean that the hon. Member has to finish his speech by 14.15 hrs. So there are 6 minutes more left and the hon. Member may adapt his speech accordingly.

**Shri Surendranath Dwivedy:** As regards the organisational defects, I have already pointed out certain things. But I want to bring to the notice of the hon. Minister the statement which I myself made in June last year when I visited this factory. I said then that there was a certain feeling of insecurity in the people's mind in a factory in which employees are drafted from all over the country; the head of the administration must not only be above suspicion but should

behave in such a manner as to create a feeling of impartiality to all. This is what I said.

We have heard so many times about the labour troubles in Rourkela. The labour troubles are not because the labour is such that they want to damage the factory, as has been made to appear here in Delhi. At Bhilai the workers had represented for the redress of their grievances but that was not heeded to. So there was trouble. It is because of the behaviour and the lack of understanding on the part of the administration that is working there. There is a lot of nepotism, favouritism and what is worst, there is communal feeling that has been created. I would say the entire administration there is responsible for this. Unless you take some steps to remedy this state of affairs, such a big factory where we are investing crores of rupees is not likely to give us good results.

As regards employment, I want to bring to the notice of the hon. Minister an observation made in the 16th Report of the Estimates Committee of the First Lok Sabha regarding public undertakings. It was stated categorically and that was accepted by the Ministry. This is what was stated:

> "Unskilled and semi-skilled labour should be recruited mainly from among the local people."

In the 33rd Report of the Estimates Committee it is stated:

> "They are surprised to find that in spite of the acceptance of the above recommendations by the Government, the position has not improved in actual practice. They would, therefore, urge that effective steps should be taken for the implementation of these recommendations."

How have they implemented this decision? I have here a Report of a Committee appointed by the Orissa Assembly of which a Minister of Orissa was the Chairman. That Committee went over there and submitted a Report. It is stated that they were not supplied with figures as to what was the actual number of local people who had been appointed in this factory. I am surprised to see this. No statistics are being kept, no records are being maintained as to the number of the local people engaged in this factory. It is a deplorable state of affairs. I would like the Ministry to give us an explanation as to why this has been done and let us know actually in all these factories what is the number of the local people that have been employed so far, both semi-skilled and unskilled. I am asking for these two categories only because as regards the others we may need foreign experts. I do not say for a moment that since this factory is in Orissa, only Orissa people will be employed. I realise that it is a national factory and everybody has a right on it. But as has been stated by the Estimates Committee, the local people have to be given a certain preference.

**Shri Tangamani** (Madurai): Are the majority of people from Orissa or from outside?

**Shri Surendranath Dwivedy**: Let the hon. Minister satisfy the hon. Member. I have no time to go into that.

Then I would refer to another matter. I congratulate the Ministry for entering into the agreement to export iron ore from Baladila. I am happy that that is going to be explored and the money will be spent in constructing Railways in Dandakaranya area. I want to know from the hon. Minister as to why the Sukinda and Tonka mines have not been taken into account. As is known to this House, this matter has been discussed several times. These mines have a capacity of exporting iron ore of high content for about 50 years at the rate of 2 million tons a year. So far as I know, the Japanese themselves were prepared to spend money not only for mechanising the mines

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but also for developing railways and the Paradeep port. I would like the Ministry to let us know what is their recommendation to the Planning Commision, or what have they done to see that when foreign parties specially Japanese who will be mostly taking our iron ore—they are themselves prepared to spend money for mechanising the mines and also for the development of the Paradeep port —that this project is sanctioned. Why is it that we are not exploring this possibility? I would like the hon. Minister to pay a little more attention to this and see that this project also including the development of the Paradeep port is undertaken as quickly as possible.

**Shri Vidya Charan Shukla** (Baloda Bazar): Madam Chairman, in spite of some mistakes in planning and execution of the expansion of the steel making capacity, the Ministry deserves congratulations of this House for what they have achieved in this field. Rourkela, Bhilai and Durgapur are in an advanced stage of completion and it is gratifying to note that our fourth steel plant at Bokaro will be erected mostly by our own know-how and it will be mostly fabricated in our own factories. I hope the Ministry will make very determined efforts to see that this hope that we are entertaining is not destroyed and the fourth steel plant is in reality made and produced by us.

A large amount of work has still to be done to consolidate the new production capacity that we have already created or which is under construction at present. This should not be delayed because any delay will mean the postponement of the accruing benefits of the huge investments that we have already made in these big projects.

Having achieved good results in expanding our steel capacity, it is imperative that we turn our attention towards attaining effective production in our steel mills, from the new steel mills of the public sector and from the existing units of the private sector. The effective production has yet to come up. The installed capacity has been indicated to the nation but the effective production is not yet caught up and there must be a definite time-schedule within which the effective production must catch up with the installed capacity of these steel plants. The effective production in our steel plants is suffering mainly because the Ministry has failed to evolve and pay enough attention towards building up the raw material base that is required to achieve the effective production.

For instance, take the present shortage of coking coal. Although this shortage was long anticipated, the Ministry neglected taking any effective steps to overcome threatened and obvious shortage. These mistakes become all the more glaring if it is noted that the Second Plan, convinced of this shortage, provided for five new coal washeries to be set up during the Plan period in the public sector. We want to know why three out of the five planned coal washeries have not yet materialised. It takes at lsast two to two and a half years to erect any coal washery, and after the coal washeries are erected there are certain teething troubles that come up. For effective working of the coal washery it will take at least three years, and we are already short of coking coal, and if these coal washeries do not give the proper amount of coking coal to our steel mills, troubles in steel production will be carried over into the Third Plan period which will be a bad thing. The demand from the steel plants is already much more than the availability of good quality coal. The Coal Controller has recently estimated the total requirements of the steel plants at 8 million tons of coking coal. Only 7·25 million tons of select grade coal are available for allotment. The shortfall of 0.75 million tons will therefore have to be made up by using Grade I coal with 17 to 20 per cent. of ash

content. And this becomes quite serious if it is considered that increase in ash content will result in curtailment of steel production and consequent increase in the cost of steel.

Another instance of bad execution of the steel projects is regarding the provision of transport facilities which are lagging behind much more than our requirements. And this aggravates the difficulties as the production of steel expands. The Hindustan Steel have already suffered a lot, because the rail-link connecting Rourkela with its iron-ore mines is being completed nearly two years after the steel plant has gone into production.

Similarly, the work of electrification of the rail link from the iron-ore mines to where Durgapur, TISCO and ISCO will get their iron ore supply is full one year behind the schedule.

It is well known that in India during the monsoon natural subsidence affects the traffic capacity of the new railway lines that are constructed. And this in turn affects the supply of iron ore to the steel mills. Knowing this fact fullly well, the Ministry was caught napping last year when the new railway link from Dalli-Rajhara to Bhila got out of order during the monsoons and Hindusthan Steel had to purchase, as an emergency measure, a large amount of iron ore from Bird and Company through S.T.C. at two or three times the cost. I hope that such constant financial loss will teach a lesson to Hindusthan Steel, so that anticipating this type of trouble in the new railway lines that have been constructed they should provide for adequate stortage of iron ore at the steel mill site so that they are not put off because of such temporary troubles on the new railway lines.

In order to diffuse and spread the benefits and advantages of advancement of iron and steel production, the Ministry should take immediate steps to see that the iron and steel capacity that we achieve by the end of the Second Plan period is translated into a variety of producers and consumers goods, by encouraging the growth of secondary steel using industries.

I was glad to hear this morning when the hon. Minister said that they are already considering this matter and that he is taking some steps to see that the pig iron and steel and billets that are being produced today are effectively used, and that he is also thinking of relaxing the controls as the production rises.

In the Third Five Year Plan we must give due importance to these secondary industries which, because of their lower capital-output ratio, will help to correct inflationary tendencies by a larger actual production in the short period.

To illustrate this point, I will quote Prof. Mahalanobis who estimated that an investment of Rs. 450 crores in machine building and other allied industries would yield a product of Rs. 300 to Rs. 350 crores annually. As against this, according to his calculation, an investment of about Rs. 150 crores on a new steel plant will yield a product valued at Rs. 31·8 crores calculated at the average retention price.

This instance very clearly indicates the importance of diffusing the benefits or diffusing the production we achieve in steel and iron in the nation, so that the allied industries grow up and counter-act the inflationary tendency in the country.

Before taking up the other minerals, I would like to briefly mention the important subject of alloy and tool steel. The hon. Minister has made an announcement this morning that apart from the forty thousand tons capacity alloy steel project that is being conceived by the Government, they have asked for an additional project report, or that they are thinking of an additional plant which will produce alloy and tool steel up to a capacity of 1 lakh tons. It is very encouraging, and

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the alloy and tool requirements of our country are growing fast, and unless we can provide for that in the Second Plan period itself, that is in the last year of the Second Plan period, we shall have to spend a large amount of foreign exchange in importing this alloy and tool steel which is imperative for any industrialisation. The Government should not be lost in mere doctornnaire considerations, and if they can make the alloy and tool steel for all the requirements that the country might have during the Third Plan period, it will be very much welcomed by this House. But in case Government do not find sufficient resources to produce or to plan for production of the estimated requirements of alloy and tool steel, then the Government should encourage others to put up this type of plant, so that we do not have any shortage of this very precious material for our industrialisation.

Now I will come to the National Mineral Policy and the systematic development of mineral resources. The senior Minister in the Ministry is too much occupied with steel and coal, and the Minister of Mines and Oil is so busy with his oil exploration that he does not have time to devote to the development of other minerals in our country.

**Shri K. D. Malaviya:** No, no.

**Shri Vidya Charan Shukla:** The value of our mineral production is supposed to have gone up from Rs. 63 crores in 1900 to Rs. 127 crores in 1957. But if you closely look at these figures you will find that most of this statistical increase has been contributed by such minerals as are used in the manufacture of iron and steel and coal. The production of other minerals has shown an insignificant rise which is particularly lamentable in view of our increasing import of non-ferrous metals and things like China-clay, which can easily be produced in our country to meet all our internal requirements.

As a result of planned industrialisation, there is a growing demand for metals in the country, so much so that by the end of the Third Plan period the consumption is estimated to grow up to 1,70,000 tons of copper, 10,000 tons of tin, 1,30,000 tons of zinc, 56,000 tons of lead and 1 lakh tons of aluminium. These figures of estimated consumption are particularly appalling if it is considered that only an insignificant indigenous production of these non-ferrous metals exists in the country.

All these non-ferrous metals are very costly, and it takes a lot of foreign exchange to import them. I hope the Ministry will pay the due attention to the development of these metals so that by the end of the Third Plan we may be self-sufficient in them. Some people argue that it is not possible to produce them economically in our country. Probably they do not know the astounding technological progress that has been made in mineral beneficiation by which it is possible to manufacture these non-ferrous metals economically from ores of even lower grade than are found in India.

It is of basic importance that the basic mineral policy, within the general framework of our Industrial Policy Resolution, is specifically laid down so that private enterpreneurs in our country as well as others in the mineral industry know what to expect from Government and what Government themselves are going to do, so that mineral production and development of minerals in our country does not suffer because of the vagueness prevailing at present in the country. No clarification has been made by the Government after the announcement of the Industrial Policy Resolution in 1956. It is time Government reviews the working of their mineral policy and tells the nation what it wants to do in future.

**Shri Narasimhan** (Krishnagiri): Have they increased the confusion?

**Shri Vidya Charan Shukla:** They have, at times.

At present we have concentrated our collaboration in oil entirely in one direction. It is very necessary that the collaboration is diffused. It is very encouraging that Government have asked various people and parties interested in oil exploration to come forward and show their interest. We welcome any party, which offers terms which are in the best interests of the country, to come forward and help us. No doubt we want to do all the oil exploration by ourselves, but because of lack of resources and the urgency of developing oil resources, it is very necessary that we take the help of others also, keeping in view our ultimate national interests.

**Shri Rajeshwar Patel** (Hajipur): I thank you for giving me an opportunity to participate in this debate.

Shri Surendra Nath Dwivedy has already drawn the attention of the Ministry to the valuable suggestions made by the Estimates Committee, which, unfortunately, so far do not seem to have found the favour of even a comment by the Ministry. I would draw the particular attention of the Minister to the introductory part of the Report wherein it is very clearly stated that owing to lack of a clear policy and understanding, they delayed in coming to a decision about the actual requirements of steel of the country. As a result of certain surveys, in 1948 they thought the country's steel requirements would increase by about 5 million tons, but within two years they came to a different conclusion. It has been very clearly brought out in this Report that as a result of this lack of decision on the part of the Government, the country had to import large quantities of steel. If only they had taken steps in good time, by 1954 we could have been in a position to produce sufficient steel to obviate imports excepting alloy steels and things like that. Even according to the very sketchy Report that we have before us, we would have been, in that case, spared the necessity of importing 65 lakh tons of iron and steel during the period 1955 to 1960, costing about Rs. 700 crores.

The delay in decision also resulted in increased costs of the three plants that we have somehow succeeded in putting up in the public sector. I refer to this indecision and lack of proper survey of our actual requirements particularly because it is being rumoured through the press and reports supposed to be authoritative, that the target for the Third Plan is going to be nine or ten million tons only. When the Estimates Committee more than two years ago questioned the Secretary of the Ministry, he said the target for the Third Plan should be in the neighbourhood of 15 million tons. Of course, he was not making any firm guesses or giving firm figures, but he said that would be more or less the order of our requirements by the end of the Third Plan. But now it is said that because of paucity of resources, we may have to curtail our programme of production for steel in the Third Plan. It is also said that the first emphasis should be on expansion of the three units that have been set up already.

We know that Tatas have gone in for an expansion programme, and after three years they have not yet reached anywhere near the contemplated expanded capacity. Even when we go in for an expansion programme, let us not be under the illusion that we will be able to achieve full production within three or four years.

In a vast country like ours, when we are trying to industrialise ourselves, our steel requirements are bound to go up very rapidly. It is not very easy to have a correct picture of our future requirements, because when we set up other basic industries, the requirements of steel are likely to increase in almost

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geometric proportions. It is therefore necessary to have a very careful assessment of our requirements. If we exhaust our capacity to expand in the three plants and do not set up a fourth plant in Third Plan period itself, we will have very little capacity to expand in the Fourth Plan. So, while I am not opposed to the expansion programme during the Third Plan period, I think it is necessary to establish the fourth plant also during the Third Plan itself.

It is said that the heavy machinery plant at Ranchi and the electrical plant at Bhopal will be able to help us in fabricating a good part of the fourth plant that we propose to put up at Bokaro. That may be true, but we should not depend too much on what we are setting up and what they will be capable of producing. Already because of a lack of clear idea as to the requirements of the country, we have suffered in having to spend nearly Rs. 700 crores on foreign exchange during the last five years. If we are not alert even now, we will find at the and of the Third Plan the same picture, and we may probably be forced to import much more than we are doing at present. And we also know it for a fact that if we have not imported more, it is not because the country did not require more steel, but because we did not have sufficient foreign exchange at our disposal. Not merely have we missed the steel, but the other ancillary and engineering industries that have to depend upon a raw material like steel have also suffered a good deal.

The other day, while speaking on the implications of the lack of consumer goods and things like that, hon. Members had drawn pointed attention to the fact that in a developing economy which we are having, when we have a lot of deficit financing, it is very urgent that we should have sufficient supply of consumer goods. Judging from that angle also, it will be realised that a basic material like steel has to be in very good supply, before we can legitimately hope to develop our economy on the proper lines.

In this connection, I would urge this Ministry to consider the case of Bokaro which on all hands has been found to be the most suitable place for the fourth iron and steel plant in the public sector. The economy of it has been worked out already, and I do not have to emphasise that point here once again. All the raw materials required for the industry are available round about that area; electricity supply is assured, and water also is assured. All the four R's which are absolute necessities for an industry of this kind are available, namely roads river, railways, and raw materials. Therefore, the case of Bokaro cannot be and should not be ignored, if we really want to be self-sufficient in the matter of our steel requirements.

So far as Bihar is concerned, I might be permitted to recall that even when we were thinking of putting up the first steel plant in the public sector, the case of Bihar was considered, but for one reason or the other, maybe political, the honour did not go to Bihar, but it went to Madhya Pradesh; then, it went to Rourkela and then to Bengal. So, the case of Bihar is already overdue, and particularly in view of the new Hatia project coming up over there in Ranchi, Bokaro which is very close to that place should find the favour of the Ministry, and if there is any difficulty, we hope and trust that the Ministry, in view of its old experience, will do its best to urge the Planning Commission to somehow find funds for the establishment of the fourth plant in the public sector at Bokaro.

Having said that, I would like to say a word about what is happening in Cambay. Shri Narayanankutty Menon has already referred to the accident that took place on the 31st January, 1960, when one Indian and two

Rumanian engineers lost their lives. It is unfortunately said that the accident was due to the inferior quality of the cement used. It is further said that the officers at Cambay had refused to accept the cement, as in their laboratory tests, it was found that the cement was not of the requisite quality. But the Dehra Dun orders had to be carried out, and the Dehra Dun orders were carried out.

**An hon. Member:** Was it right or wrong?

**Shri Rajeshwar Patel:** In my opinion, it was very wrong, because that cement used to take more than nine hours to set.

**Shri Mahanty:** Who was the contractor?

**Shri Rajeshwar Patel:** Because of the inferior quality, the cement was not setting even after nine hours, with the result that it could not control the pressure of the gas coming from the test well. The bills for payment to the party, I am told, have been held up, because the Ministry has also started doubting about the quality of the cement that was used. If such things are happening, it will really be a very dangerous thing for anybody to work there. Knowing full well that the raw materials used are not of the requisite standard or quality, it would not be right for us to permit such things to happen.

The worst of it is that there seem to be serious differences of opinion between the Cambay project officers and the Dehra Dun officers, as a result of which there seem to be some very inordinate delays in carrying out certain things. Even the hon. Minister Shri K. D. Malaviya had announced the other day that by the end of March, 10 test wells would have come up, but unfortunately, because of the quarrels, that target has not been fulfilled so far. This will be borne out more clearly if I place before the House the fact that at Cambay, permission is required for the purchase of every little thing, from Dehra Dun, and I understand that even to this day, though the unit has been functioning there for the last three years, even the ordinary raw materials, and things like fire-fighting equipment and even office furniture have been taken out on rent, and Government are paying rentals there for these things at the rate of Rs. 17,000 per month. If we calculate it, it comes to Rs. 20 lakhs per year, and for the three years, it comes to Rs. 60 lakhs by way of only rentals for the office furniture and other things which could have been easily purchased and thereby that money saved.

**श्री ग्र० सि० सहगल** : (जगीर) : सभानेत्री महोदया, इस्पात, खान और ईंधन मंत्रालय ने जो डिमांडस पेश की हैं, उन पर मैं अपने विचार सदन में रखना चाहता हूं ।

प्रधान मंत्री जी ने हाल ही में यह घोषणा की है कि भारत की तृतीय पंचवर्षीय योजना में १ करोड़ टन इस्पात-उत्पादन का लक्ष्य रखा जायेगा और उक्त लक्ष्य की पूर्ति के लिये, वर्तमान इस्पात-कारखानों के विकास के अलावा बोकारो में जो कि बिहार में है, चतुर्थ राजकीय इस्पात कारखाना स्थापित किया जाए ।

भारत सरकार के इस्पात, खान और ईंधन मंत्री ने भी २१-३-१९६० को, लोक सभा में दिये गये अपने वक्तव्य में यह बताया है कि बोकारो में चौथे इस्पात कारखाने की स्थापना के लिये बहुत सी सुविधायें हैं और इस के लये समुचित कार्यवाही हमें करनी चाहिये । किन्तु कारखाने की इमारत बनाने का काम शुरू करने तथा कारखाने का आकार निर्धारित करने के विषय में आवश्यक निश्चय तीसरी योजना के विषय में कुछ और निर्णय हो जाने के बाद होगा । साथ ही, उन्हों ने यह भी बताया है कि तीसरी योजना में १ करोड टन इस्पात उत्पादन का लक्ष्य उचित होने पर भी साधनों के अभाव के कारण, उस में कमी की जा सकती है ।

[सरदार अ० सिं० सहगल]

भारत सरकार के योजना आयोग यानी प्लानिंग कमीशन ने तृतीय पंचवर्षीय योजना की जो रूपरेखा तैयार की है, उस में केवल ८८ लाख टन इस्पात के उत्पादन का लक्ष्य रखा है और यह सुझाव दिया गया है कि उक्त लक्ष्य की पूर्ति वर्तमान कारखानों के विकास और विस्तार के द्वारा की जा सकती है। इसलिये मुझे बोकारो (बिहार) में चौथे कारखाने की स्थापना अति आवश्यक प्रतीत होती है।

अर्थशास्त्र सम्बन्धी अनुशासन की राष्ट्रीय परिषद् (नैशनल कौंसिल आफ ऐप्लाइड इकानमिक रिसर्च) ने भी यही राय दी है कि तीसरी पंचवर्षीय योजना में लगभग १ करोड़ टन इस्पात के उत्पादन का लक्ष्य रखना चाहिये। योजना आयोग के विशेषज्ञों ने भी कुछ साल पूर्व यह बताया था कि तीसरी योजना में १ करोड़ टन इस्पात के उत्पादन का लक्ष्य रखना चाहिये। भारत सरकार के इस्पात, खान और ईंधन मंत्रालय ने तो कुछ काल पूर्व यह अनुमान किया था कि १९६६ ई० तक, अर्थात् तीसरी योजना के अन्त तक, लगभग १.५ करोड़ टन इस्पात उत्पन्न करने की आवश्यकता हो सकती है। अनुमान की अन्य प्रणालियों से भी हिसाब करने पर यही पता चलता है कि तीसरी योजना के अन्त तक देश में १ करोड़ टन इस्पात के उत्पादन की आवश्यकता निस्सन्देह होगी।

इस प्रसंग में संसार के विभिन्न देशों में इस्पात के उत्पादन की स्थिति पर विचार करना अति आवश्यक प्रतीत होता है। १९५७ ई० में जब कि भारत में कुल मिला कर सिर्फ १३ लाख टन इस्पात उत्पन्न हो सका था, अमरीका में १० करोड़ ७० लाख टन, रूस में ५ करोड़ ६० लाख टन, इंग्लैंड में २ करोड़ ४० लाख टन, पश्चिमी जर्मनी में २ करोड़ ७० लाख टन, फ्रांस में १ करोड़ ५० लाख टन, जापान में १ करोड़ ४० लाख टन, आस्ट्रेलिया में ३ करोड़ १० लाख टन इस्पात का उत्पादन हुआ था। इस से यह स्पष्ट है कि भारत में इस्पात के उत्पादन में अभी बहुत वृद्धि की आवश्यकता है और तीसरी योजना में कम से कम १ करोड़ टन इस्पात के उत्पादन का लक्ष्य रखना अति आवश्यक प्रतीत होता है। यथा सम्भव उसमें वृद्धि होनी चाहिये।

उक्त लक्ष्य की पूर्ति के लिये यह सुझाव दिया गया है कि राउरकेला, भिलाई और दुर्गापुर के वर्तमान राजकीय कारखानों का विस्तार किया जाये। यह बहुत अच्छी चीज है और इस के लिये मैं मंत्रालय की सराहना करता हूं। किन्तु उक्त कारखानों के विस्तार से ही तीसरी योजना की अवधि में १ करोड़ टन के उत्पादन का लक्ष्य पूरा नहीं हो सकता, ऐसी मेरी धारणा है। अभी तो दूसरी योजना के लिये निर्धारित ६० लाख टन इस्पात के उत्पादन के लक्ष्य की पूर्ति होने की जरूरत है। यदि प्रस्तावित विस्तार किया जाये तो कुल ८५ लाख टन तक का उत्पादन तीनों कारखानों से हो सकता है। शेष १५ लाख टन के उत्पादन के लिये बोकारो में चौथे कारखाने की स्थापना अति आवश्यक प्रतीत हो रही है। यदि अन्य कारखानों में उत्पादन में थोड़ी कमी भी हुई, तो उस को पूर्ति चौथे कारखाने से सुविधापूर्वक की जा सकती है। इस लिये मैं मंत्रालय से यह कहना चाहता हूं कि जो हमारी चौथी योजना होगी उस में बोकारो को लेना अति आवश्यक प्रतीत होता है।

इस प्रसंग में यह बता देना उचित होगा कि १९५० ई० से अब तक अमरीका में इस्पात के २५ नये कारखाने खोले गये हैं और रूस में १२ नये कारखाने रक्खे गये हैं। इस लिये यह स्पष्ट है कि भारत में तीसरी योजना में केवल इस्पात कारखाने की स्थापना देश हित की दृष्टि से बहुत जरूरी है।

उक्त चौथे कारखाने के स्थान के विषय में भारत सरकार के अधिकारी यह स्वीकार कर चुके हैं कि बोकारो का स्थान इस के लिये बहुत उपयुक्त है । सच्ची बात तो यह है कि दूसरी योजना में ही बोकारो में उक्त कारखाने की स्थापना का निश्चय किया गया था । किन्तु बहुत से कारणों की वजह से वह वहां नहीं हो सका और दुर्गापुर में खोला गया । बोकारो का स्थान चन्द्रपुरा नूरी रांची रेलवे लाइन के मरफरी स्टेशन से एक मील की दूरी पर है । धनबाद के प्रसिद्ध औद्योगिक नगर से उस की दूरी ३१ मील है । उक्त स्थान पर कारखाने के लिये ४० वर्ग मील को सुरक्षित करने की व्यवस्था बिहार सरकार ने की है । ऐसा मालूम होता है कि उक्त स्थान का जलवायु बहुत ही स्वास्थ्यवर्द्धक है । वर्ष भर में लगभग पचास इंच वर्षा वहां पर होती है । दामोदर नदी बहुत समीप है उस का उपयोग जल की आपूर्ति के साथ साथ गन्दे पानी की निकासी के लिये भी हो सकती है । ग्रैन्ड ट्रंक रोड बोकारो से ३० मील पर है और एक पक्की सड़क द्वारा सम्बद्ध है । जमशेदपुर, रांची और पटना से भी बोकारो तक उत्तम कोटि की सड़कें गई हैं । बोकारो में बिजली सुलभ है, बोकारो थरमल पावर स्टेशन और चन्द्रपुरा पावर स्टेशन से वहां बिजली जा सकती है । कोयला आदि अन्य सामग्री भी बोकारो में बहुत सुलभ है और उन के संग्रह का व्यय, दुर्गापुर और भिलाई की तुलना में बोकारो में बहुत कम होगा ।

यहां पर यह उल्लेखनीय है कि १९५५ ई० में भारत सरकार के तत्कालीन इस्पात मंत्री श्री टी० टी० कृष्णमाचारी ने तथा सन् १९५६ में भारत सरकार के उत्पादन मंत्री श्री के० सी० रेड्डी ने भी यह घोषणा की थी कि इस्पात का चौथा कारखाना बोकारो में स्थापित होगा । वर्तमान इस्पात मंत्री ने भी इसी तरह का विचार प्रकट किया है । मैं मंत्री महोदय का ध्यान एस्टिमेट्स कमेटी की तरफ दिलाना चाहता हूं । एस्टिमेट्स कमेटी ने हमारे खान और ईंधन मंत्रालय के बारे में बहुत चीजें दर्शाई हैं । मैं अर्ज करूंगा कि इस रिपोर्ट के मुताबिक अमल करने और उस की बातों पर ध्यान देने की कृपा मंत्रालय को करनी चाहिये ।

इस के साथ मैं चाहूंगा कि हर प्राजेक्ट के लिये अलग अलग रीजनल कमेटीज की स्थापना की जाये । यह चीज अति आवश्यक प्रतीत होती है । यह इतना बड़ा मंत्रालय है और हिन्दुस्तान स्टील एक ही संस्था है जो इन तीनों के काम को देख रही है । इसलिए यदि रीजनल कमेटीज का फारमेशन हो जाये, यदि रीजनल कमेटीज बना दी जायें तो हमारा कार्य बहुत ज्यादा सरल हो सकता है ।

अब मैं आप से भिलाई के बारे में कुछ निवेदन करना चाहता हूं । वहां पर ५०० या ६०० के करीब जो पुराने मध्य प्रदेश के कर्मचारी थे उन को बुला कर भिलाई के अन्दर काम पर लगाया गया था, और उन को लगाने के बाद अब जो उन की सर्विसेज हैं उन के लिये हिन्दुस्तान स्टील प्राइवेट लिमिटड की आज्ञा हो रही है कि वे नये सिरे से एग्रिमेंट करें । ठीक है, हम एग्रिमेंट करने के लिए तैयार हैं, लेकिन मैं मंत्रालय से अर्ज करूंगा कि जिन आदमियों ने ७ वर्ष, १० वर्ष, १२ या १५ वर्ष तक काम किया है उन का जो प्राविडेंट फंड है, जो उन की छुट्टियां हैं, या दूसरी चीजें हैं, उन के बारे में क्या किया जायेगा ? यदि आप इस पर गौर करना चाहते हैं तो बेशक आप उन को वहां ला कर रखिये, यदि आप उन को मुस्तकिल करना चाहते हैं तो उन्हें मुस्तकिल कर दीजिये, मुझ इस में कोई अड़चन नहीं मालूम होती है, बशर्ते कि इन लोगों को वही पुरानी सुविधायें यहां भी मिल सकें । इस तरह से जो कुछ उन को महसूस हो रहा है इस मामले में उन का कोई खयाल नहीं किया जाता, या जो उन के अन्दर एक चिन्ता उत्पन्न हो गई है, उसे आप दूर कर सकते हैं ।

[ सरदार अ० सिंह सहगल ]

तीसरी बात मैं आप के आग कोयले के बारे में कहना चाहता हूं । कोरबा में जो कोयले की खदान है उस के पास जो हसदो नदी है उस पर एक पुल बना कर जो बड़ा अच्छा कोयला है यदि आप उस को निकालें तो वहां के लोगों का उससे बड़ा फायदा हो सकता है । ऐसा मालूम हुआ कि आप उसे तीसरी पंचवर्षीय योजना में करने जा रहे हैं लेकिन वहां पर अच्छा कोयला निकालने के लिय यह जरूरी है कि वहां पर वाशरीज लगाई जाये ताकि हमारा काम बड़ी सरलता से हो सके ।

अन्त में मैं माननीय मंत्री महोदय को और उन के मंत्रालय को, जो काम उन्होंने किया है, भिलाई, राउरकेला और दुर्गापुर की वृद्धि के लिय जो भी कार्रवाई की गई हैं उन के द्वारा, उस के लिए मैं उन को धन्यवाद देता हूं ।

**Mr. Chairman**: Members may now move their cut motions to various Demands for Grants subject to their being otherwise admissible.

*Need for revision of coal policy*

**Shri Bhanja Deo**: I beg to move:

"That the demand under the head 'Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1347)

*Need to conduct trial boring for oil in the surveyed Cauvery Basin area*

**Shri Sampath**: I beg to move:

"That the demand under the head Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1383)

*Delay in obtaining the results of the pilot project for low shaft furnace using lignite*

**Shri Sampath**: I beg to move:

"That the demand under the head 'Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1384)

*Feasibility of setting up of a steel plant in Tamilnad using Neyveli lignite and Salem iron-ore*

**Shri Sampath**: I beg to move:

"That the demand under the head 'Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1385)

*Need to increase target estimates of 3½ million tons lignite per annum from Neyveli to 6 million tons*

**Shri Sampath**: I beg to move:

"That the demand under the head 'Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1386)

*Need for setting up Iron and Steel Board on a statutory basis to co-ordinate the policy and programme of steel manufacture in the country*

**Shri Mahanty**: I beg to move:

"That the demand under the head 'Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1415)

*Low production of steel at Rourkela Steel Plant*

**Shri Naushir Bharucha**: I beg to move:

"That the demand under the head 'Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (437)

*Failure to inform Parliament of the approximate cost of steel production in each of the three steel plants*

**Shri Naushir Bharucha**: I beg to move:

"That the demand under the head 'Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (438)

*Validity of Iron and Steel Control Order, 1956*

**Shri Naushir Bharucha:** I beg to move:

"That the demand under the head 'Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (439)

*Failure to keep to time schedules for construction of the three steel plants*

**Shri Naushir Bharucha:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (440)

*Incapacity of steel plants to pay even interest on the loans granted to them by Government*

**Shri Naushir Bharucha:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (441)

*Need to evolve sound principles for basing contribution by steel plants to general revenues*

**Shri Naushir Bharucha:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (442)

*Destruction of the Chapel at Village Purunapani at Rourkela by the Hindustan Steel Authorities*

**Shri Mahanty:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1272)

*Delay in commissioning the various sections of the Rourkela Steel Plant beyond the scheduled date*

**Shri Mahanty:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1273)

*Lack of perspective in planning for steel*

**Shri Mahanty:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1274)

*Setting up a local Board for management for the Hindustan Steel Works at Rourkela*

**Shri Mahanty:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1275)

*Non-implementation of the assurance given by the Hindustan Steel Authority that preference will be given to the local people other things being equal, in the matter of employment in the steel works in Rourkela*

**Shri Mahanty:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1276)

*Policy of appointing retired Railway Officers over the age of sixty by the Hindustan Steel Limited*

**Shri Mahanty:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1277)

*Contracts awarded to a certain firm for the blast furnaces at Rourkela*

**Shri Mahanty:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1278)

*Appointment of personnel in the Steel Works in Rourkela, without referring to the Employment Exchange in Rourkela*

**Shri Mahanty:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1279)

*Allotment of land for commercial and other purposes in the Steel Plant Township at Rourkela*

**Shri Mahanty:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1280)

*Irregularities in the muster-rolls for the work-charged staff in the steel works in Rourkela*

**Shri Mahanty:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1281)

*Need for a fixed pattern for Agreements for Steel Plant Projects*

**Shri Mahanty:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1282)

*Government's inability to take full advantage of the Russian contract to associate Indians with Soviet Designers of the Bhilai Project*

**Shri Mahanty:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1283)

*Need for expansion of the installed capacity of the three Steel Plants in the Public Sector*

**Shri Mahanty:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1284)

*Need to stop negotiated contracts in connection with Steel Plants*

**Shri Mahanty:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1285)

*Need to appoint General Manager of the Steel Projects with adequate technical qualifications*

**Shri Mahanty:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1286)

*Need for taking steps to finalize cost estimates of steel to be produced in Public Sector Undertakings*

**Shri Bhanja Deo:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1348)

*Need for converting loans and advances granted to the Hindustan Steel Ltd. into share capital*

**Shri Bhanja Deo:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1349)

*Need for taking steps to operate the steel projects on decentralised basis*

**Shri Bhanja Deo:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1350)

*Need for cost appraisal of small blast furnace for production of pig iron*

**Shri Bhanja Deo:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1351)

*Need for immediate measures to increase the capacity for production of special steel and alloys*

**Shri Bhanja Deo:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1352)

*Need for measures to set up marketing organisation for bye-products of steel projects*

**Shri Bhanja Deo:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1353)

*Modification of the Industrial Policy Resolution of 1948, permitting enlarged sphere for the Private Sector in Steel*

**Shri Mahanty:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1376)

*Failure to commission all the coal washeries provided for in the Second Five Year Plan*

**Shri Mahanty:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1416)

*Need to bring down the high steel price in India*

**Shri Mahanty:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1417)

*Need to expand the installed capacities of the pig iron producing low shaft furnaces and setting up new units with the objective of exporting pig iron, instead of iron ores, in a low price*

**Shri Mahanty:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1418)

*Need to take a firm decision regarding the setting up of the Fourth Steel Plant in the Public Sector*

**Shrimati Parvathi Krishnan:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1478)

*Expansion programme of Neyveli Lignite Limited*

**Shrimati Parvathi Krishnan:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1479)

*Feasibility of setting up a low shaft furnace at Salem*

**Shrimati Parvathi Krishnan:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1480)

*Policy of nationalisation of coal mines*

**Shrimati Parvathi Krishnan:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1481)

*Oil exploration in Cauvery Basin in Madras State*

**Shrimati Parvathi Krishnan:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1482)

*Shortfall in production at Rourkela*

**Shrimati Parvathi Krishnan:** I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Steel, Mines and Fuel' be reduced by Rs. 100." (1483)

**Mr. Chairman:** These cut motions are now before the House.

**15 hrs.**

**Shri Morarka** (Jhunjhunu): Madam Chairman, I have much pleasure in supporting the Demands of this Ministry. I feel that this has been another year of sustained progress, more achievements and new hopes for this Ministry. The Minister can legitimately be proud of the performance of his departments. If I were to describe this year in a metaphor which has become very popular recently, I would say that this has been the year of take-off for this Ministry. Most of the projects under the Ministry have reached a stage of maturity. In fact, some of them have started production during the year.

The three steel plants which commenced production in February really went into commercial production during the year under review. The production of coal has also reached a stage where without further delay or expenditure the production could be increased substantially. So far as oil exploration is concerned, it seems we have beaten the world record and our effort has been described in some of the papers as a rare feat. All the five wells in the Cambay area are promising as containing commercial quantities of oil or gas.

The Minister deserves special congratulations for taking the decision to put up a pipe plant in Rourkela and also for increasing the size of alloy and special steel plant.

I was very glad to hear this morning from the Minister that they have taken a decision in particular to expand the capacity of the existing plants. Now that the Third Five Year Plan is on the anvil, it is natural that the thoughts of the Minister are employed in fixing the targets of this Plan. As the Minister mentioned this morning in his opening speech the target of 10 million tons is accepted. I do not know exactly what is the allocation of this target between the existing plants and the new fourth plant. But I do hope the hon. Minister would accept in principle that priority should be given to the existing three plants and that their capacity should be first expanded to the full. That is not only an easy possibility, but, I think, that is an economic necessity, for these three plants to expand to their full capacity. That is the only way they can be made competitive and we can produce steel at prices which can compete even in the international market. Even in expanding these plants one thing must be borne in mind and that is that the expansion takes place without disturbing the working of these plants; and, secondly, that it takes place with Indian technique, that is, with our own technicians and with all equipment which we would be producing.

**15:03 hrs.**

[SHRI MULCHAND DUBE *in the Chair*]

The Hindustan Steel Ltd., is one of the biggest undertakings in the world and it controls so many corporations and different units that it is becoming monolithic in size. Besides the 3 steel plants, it is likely to have the 4th steel plant. Thus in due course, it will control the production of 8 million tons of steel. It has under its control the iron ore mines, the limestone quarries three coal washeries, a fertiliser plant, the new pipe plant and it may also have the special tool plant under it,

apart from the ancilliaries and township and so on. It is not so much in a spirit of criticism as in a mood of introspection that I suggest that unless some steps are taken to decentralise the management of this corporation, we are bound to get into some sort of difficulties which are connected with the size.

Even the present difficulties that exist, I think, are mainly due to the unwieldy size of this corporation. While it is praiseworthy for the Minister to carry on the management of this corporation with a few people, I think, economy of this type is bound to have its repercussions in due course.

I feel that in this corporation you have very few people doing too many jobs, particularly at the top level. I have been going through the Annual Report of this corporation—as I always do—and I must confess that I was rather disappointed to read the Auditor's Report. The Auditor says:—

> "We commented at length in our report of the 17th December 1958, on the urgency of improving your accounting system. This request is again being made to the management to make suitable arrangements in advance so as to be able to meet the requirements when the projects go into production in full swing. From a persual of our remarks in the foregoing paragraphs, it will be observed that absence of appropriate accounting records and reconciliation reported upon previously by us continued to exist during the year as referred to in the foregoing paragraphs."

Again, while they admit that the management is alive to this situation and also that the management has initiated certain steps, they say:—

> "We should reaffirm our considered opinion that a full-fledged system of industrial accounting must be put into operation immediately."

As I said, this is the biggest undertaking in this country and if it lacks a sound and fool-proof accounting system one cannot imagine the consequences which it may lead to.

Another point I want to mention is that such a system of accounting as it exists today lacks a certain amount of uniformity. I will give only two illustrations to make my point clear. One is at page 14 of the report. You will find Schedule E. In this Schedule is given the stock of stores and spares which are kept at the 3 steel plants. If you kindly look at this statement, you would notice that at Rourkela the stock is worth Rs. 3·99 crores; at Durgapur, it is Rs. 1·25 crores and at Bhilai it is Rs. 90.99 crores. I do admit that there would be an explanation and, perhaps, a valid explanation. But, still, the very fact that it requires an explanation shows that the accounting system followed is not perfect.

**Shri Narasimhan:** It is 90, or 9?

**Shri Morarka:** It is 90, nine zero, I was speaking about this annual report. This annual report, which is, otherwise, an admirable document, is, according to me, noticeably incomplete in three respects.

First of all, it does not say what would be the final cost of these three plants. Nowhere is there an indication what the final prices are likely to be. Even the hon. Minister who spoke this morning on this point made only a very vague statement. In a commercial or an industrial undertaking like this it is very essential that you should know exactly what your cost would be, why costs are increasing if they are increasing and so on.

Secondly, this report of the Directors does not mention anything at all about the Plan targets, i.e., whether the Plan targets would be achieved or not and if they would not be achieved, why they would not be achieved, and to what extent they would fall short.

[Shri Morarka]

Thirdly, the report does not say anything at all about the inadequate production at Rourkela. The Ministry's Explanatory Memorandum makes a reference to that but even that is not sufficient.

According to Dr. Heinrich, Director-General of the Krupp Demag, out of 20 pig iron tanks only 4 or 5 were fit for use and that the steel converters were not operating because their wall lining was faulty. He also says something more about the other plant and machinery in this plant. This is the opinion of Dr. Heinrich. He is the representative of Krupp Demag and if he stands aghast at the performance of this plant, certainly, our Minister must give serious attention to this and look into this matter.

About the expenditure account which is annexed to that balance sheet, there are two points to which I wish to draw the attention of the hon. Minister. The first point is, on the expenditure side you will find that there is an expenditure of Rs. 81.10 lakhs having been made for repairs to plant and machinery during the year. This is a report for the year ending 31st March, 1959, two months after the production started. You have spent Rs. 81 lakhs for repairs. It is a new plant. I would like to know why a sum of Rs. 81 lakhs was spent only on repairs on this new plant when production had only just started.

The second point I would like to make is about the maintenance and repairs of vehicles. Last year the amount spent was Rs. 7.81 lakhs and this year it has gone up to Rs. 31.53 lakhs, almost 400 per cent increase. We also find from the Schedules to the balance-sheet that motor vehicles worth Rs. 64.70 lakhs were purchased. Before that we had motor vehicles worth about Rs. 70 lakhs. This year, as I said, they have made a purchase of Rs. 64.70 lakhs, making a total of Rs. 134.70 lakhs.

Then, I would like to draw the attention of the hon. Minister to the operation accounts for the two months during which these two plants have worked. I find that in Bhilai there is a loss of Rs. 40.53 lakhs. The total production there is about Rs. 80 lakhs and in that production of steel worth Rs. 80 lakhs there is a loss of Rs. 40.53 lakhs. In Rourkela the production is about Rs. 60 lakhs and the loss there is Rs. 14.79 lakhs. I want the hon. Minister to tell the House why such a big shortfall was recorded in these two months and how he is going to prevent such a recurrence in the future.

I was saying that as the size of the corporation is becoming unmanageable many allied things creep in. I will give you only one instance. The Hindustan Steel Corporation advertised for the post of a senior surgeon. One Dr. E. A. Sinclair from Bombay applied for the job. On 20th April, 1959 he was asked to come for an interview before the selection committee, at 9.0 A.M. on 2nd May. On the 29th April—kindly note the dates because they are important—Dr. Sinclair received another letter. I would like to read out that letter—I am quoting:

> "With reference to your application dated 6th January, 1959 for the post of senior surgeon, I am directed to inform you that it has not been possible to select you for appointment."

The interview was fixed for the 2nd of May. He had not gone for the interview. Before that the received a letter saying that it was ont possible to select him for appointment. By itself it is a small matter, but it is indicative of what type of confusion is taking place even in the matter of appointment of senior officers. The only alternative possibility it can reveal is that there is a certain amount of manipulation.

**Dr. M. S. Aney** (Nagpur): It is not a small matter.

**Shri Morarka:** No, but by itself it may appear to be a small matter, but it does not befit the management of a public corporation.

**An Hon. Member:** As far as it appears.

**Shri Morarka:** I hope the hon. Minister would give his personal attention to this matter and make enquiries as to why a thing like this happened. Dr. Sinclair told me that he made enquiries of the persons responsible for this. They brushed his objection aside merely saying that it was a clerical error. I do not know how such a clerical error can arise, because the next thing that Dr. Sinclair told me is more important. Dr. Sinclair told me that when his application was processed some of his most important qualifications were left out and his dossier was prepared in such a way that his application could be rejected even on merits. Dr. Sinclair made a protest against this, but nothing happened.

Now, many hon. Members have spoken about foreign experts in our steel plants. I also want to say something about that. We have 987 Soviet experts in Bhilai, 180 British experts in Durgapur and 585 German experts in Rourkela. First of all, the question is, can a country afford to send so many experts to any other country for a single project? The other question is, are they really experts or are they carpenters, *lohars* or ordinary mechanics coming as experts to India? This is a thing which the hon. Minister must look into. This is a very important matter. I had been reading what the Russians did in other countries. The Russians built two much bigger plants of 3½ million tons capacity each for China. One was at Wuhan and the other at Pao Tow. At no time when these two steel plants were built by them there were more than 14 Russians experts even during the construction period, whereas in this country we have got even today more than about 900 experts. Similarly, the Russians built another plant in Poland at Nova Huta. There, I believe, they did not have more than four experts. If that is so, and if these facts are correct, I wonder why we should have so many experts—at least our technical calibre is not inferior to that of the Chinese—I hope not—and I do wish that the Minister gives his consideration to this problem.

I shall now straightaway say something about the National Coal Development Corporation. The performance of this Corporation is not as brilliant or as encouraging as that of the national steel plants. Out of the total target of 10.1 million tons from the new collieries given to this Corporation, the report says that they have so far achieved only 1.27 million tons. Now, of course, they say that much of the spade work is over and in due course they will be able to reach the target laid down but even so, I would like to draw the attention of the hon. Minister to two points.

First of all, coal is one of the most important sources of industrial energy in this country. Our industries are run by that, our railways are moved by that, and if there is a shortfall in the production of coal not only the coal production suffers but our industry also suffers.

Sir, I believe that production of fertiliser at Sindri which is one of the most important things for our country today, has gone down by 25 percent during the last four or five months. For what? Only for want of coal, for want of only about 60 tons coal per day. That means, we cannot supply Sindri even 60 tons of coal per day and that is why the production of fertiliser in Sindri has gone down by 25 per cent from what it was producing before.

**Shri T. B. Vittal Rao** (Khammam): How do you say that the production will go down by 25 per cent if 60 tons of coal is not supplied? What is the calculation?

**Shri Morarka:** It is a special type of coal. That type of coal is not forthcoming and, therefore, the production has gone down by 25 per cent from what it was five months ago. That is my information. Shri Vittal Rao may make enquiries and if he finds that what I am saying is incorrect he can correct me.

Similarly, I wish to say that so far as coal is concerned the hon. Minister must fix yearly targets rather than fixing targets for the entire period and achieving them in the final year or the final month of the Plan period. That creates lots of difficulties. Reading the report of the National Coal Development Corporation one gets the impression that we can produce as much coal as we like but for want of demand we cannot do that. Sir, I would not like to take much time of the House, but I would like to mention two things. One is about the thermal power station at Bokaro. It is said that the present production is about 16000 to 17000 tons per month but it is capable of being increased to 50,000 tons. Unfortunately, that coal contains a high percentage of ash and therefore, it is only suitable for a limited purpose and hence the production is less.

Secondly, about the Kargali washery which went into production in 1958, but it was not taken over by the Government on account of certain technical defects. It is said on page 31 of the report:

> "It may also be mentioned that since the Kargali washery was set up with the sole purpose of supplying washed coal to Messrs. Hindustan Steel Limited, the output was regulated with an eye to the requirements which have been fully met so far."

This statement gives the impression as if the production at Kargali washery was kept down with an eye on the needs of the steel plants, and because the steel plants did not require more, the production did not increase. But kindly see what the directors of Hindustan Steel say at page 11 of their report. They say:

> "The supply of coal did not present many difficulties during the year. When all the coke ovens in the three plants go into production, adequate coal supplies would be difficult to maintain until the three washeries proposed at Duga, Bhojudih and Patherdih come into operation".

Again, there is another difficulty. The Ministry's report says that Bhojudih and Patherdih washeries would supply coal to the Tatas and IISCO respectively and that this coal actually would not be available to the steel plants in the public sector. I do hope that the Minister will throw some light in his reply and world take steps to see that the steel plants do not suffer for want of washed coal. It would be a pity that after spending such huge amounts for the production of steel, our steel plants do not work fully and remain partially closed for want of washed coal.

**Mr. Chairman:** The hon. Member's time is up.

**Shri Morarka:** Sir, kindly give me two or three minutes more. I shall mention the remaining points very quickly.

**Mr. Chairman:** He has already taken 20 minutes.

**Shri Morarka:** I am grateful to you for giving me that much latitude I shall finish in two minutes. About lignite, I want to mention only two points. From the report presented to the House, it seems that the latest estimates of this project have gone

up from Rs. 68 crores to Rs. 86 crores. There is no explanation as to why these estimates have gone up to this extent.

I shall now mention about the lignite project at Palana in Rajasthan. It is very encouraging to find from the report of the Ministry that they have accepted the report of the expert committee and have forwarded it to the Rajasthan Government for including the project in the third Five Year Plan, and going ahead. So far, so good. But the hon. Minister knows it very well that it is beyond the capacity of the State Governments to undertake projects of this magnitude. Even the Madras Government could not undertake the lignite project there, which is going to cost about Rs. 86 crores and the entire responsibility of the project was taken over by the Centre. I do hope that the Government would take this plant also within their purview and develop the lignite mines in Rajasthan by themselves.

I wish to conclude by saying a few words about the copper mines in Khetri, as they fall within my constituency. I am mentioning it last so that it may remain fresh in the mind of the hon. Minister and that he will deal with it, first. This area in Rajasthan has very large deposits of copper ore. More than 28.40 million tons have already been proved, and the report of the Ministry says that actually there may be much more of this ore. I do hope that it would be possible for the hon. Minister to assure the House that this mine would be developed during the third Plan and that they would not leave the development of this mine to the Rajasthan Government, but that they would take it upon themselves.

**Shri Sampath** (Namakkal): Mr. Chairman, Sir, I have moved cut motions Nos. 1383 to 1388. Cut motion No. 1386 is to discuss the need to increase the taget estimate of 3½ million tons of lignite per annum from Neyveli to six million tons. I think I have no need to argue about it, as the hon. Minister has been good enough to give an assurance that in the third Plan the target would be doubled, so to say; that is, to seven million tons per annum. We are very happy over that, and I really feel that this announcement is a good cheer, a cheer which the people of South India deserve and which affects the people of India as a whole.

So, I shall confine myself to the question of setting up a steel plant at Salem and oil exploration in the southern part of this country. When we increase the target of lignite to seven million tons, it naturally follows that it is essential to have a steel plant there, to utilise the excess amount of lignite that we will be digging up. The present target of 3½ million tons has been allowed for use in the different schemes in Neyveli itself, namely, for a thermal plant, for a fertiliser plant, for a briquetting plant and so on and the additional 3½ million tons of lignite have to be put to use in other ways. Lignite is not a substance which can be stocked or piled up since it is an inflammable material. So, to find use for that lignite, it follows as a logical sequence that we should have a steel plant immediately along with the production of lignite.

Regarding the iron ore position, I need not elaborate. *India's Mineral Wealth*, written by Coggin Brown and A. K. Dey speaks very highly of the iron ore position. Speaking about the iron ore of Madras and Andhra at page 187, they say:

> "Iron ores are abandant enough in the Salem district of Madras to have led so astute a geologist as the late Sir Thomas Holland to declare that they are practically in-exhaustible."

Extensive deposits of magenetite-bearing quarts occur in a series of

[Shri Sampath]

ridges and hillocks in the Salem and Tiruchirappalli districts. The major deposits are in Kanjamalai, Godumalai, Perumomalai, Tirthamalai, Kollaimalai Paohchaimalai and Chitteri. Deposits are also found in several hills in the Attur valley and the area between Namakkal and Rasipuram. So, nobody would dispute the amount of ore that would be available if we set up a steal plant there.

Even if we go back to history and see whether any attempts have been made in the past to exploit these ores, it makes interesting reading. In the same book, at page 176, the authors say:

> "In 1830, the Indian Steel, Iron & Chrome Co., was established by J. M. Heath with its works at Porto Novo in South Arcot district, Madras, where ores from the Salem district were smelted. These works were subsequently carried on by the Porto Novo Steel & Iron Co. and the East Indian Iron Co., additional furnaces being erected at Tiruvannamalai in North Arcot, at Beypur in Malabar in 1833, and at Palampatti in the Salem district in 1853. Pig iron from the Porto Novo works was shipped to steel-makers in Sheffield, and a large quantity of it was used in the construction of the Britainnia tubular and Menai bridges in the United Kingdom".

So, even a century back, there have been attempts to exploit that ore, and the amount and the quality of the ore had been so tempting that anybody would like to use it. But the main obstacle had been that we do not have coal in the proximity of that area. So, without the availability of coal, it had been found impossible to have a steel plant there. But after the find of lignite, hopes became brighter. However, the Centre was turning the cold shoulder to our demands so far. When we put questions about it, we used to get some sort of replies to the effect that the tests are being carried out or that the results are awaited from Jamshedpur and Dhanbad and so on.

From the journal called *Journal of Scientific and Industrial Research*, published in the month of February, 1960, I find that there is an article written by two eminent men in the field—Messrs H. C. Nand and M. S. Iyengar. In page 84 of that magazine, they have given the various factors and all the results of scientific experiment so far carried out. In conclusion, they say:

> "The above studies indicate that it is possible to obtain ferrocoke briquettes of sufficient strength from South Arcot lignite-Salem magnetite blends for reduction in low shaft furnace."

So, from the test carried out in the Central Fuel Research Institute, Jealgora, it has been found out that the Neiveli lignite can be used in low shaft furnace method to obtain steel. Now we really do not understand why the Minister, who has been good enough to assure us of double the amount of the second Plan with regard to lignite, was hesitating to give us an assurance that a steel plant would also be set up in the third Plan.

In the meanwhile, we were hearing some rumours, which I hope the Minister will clarify, that the Madras Government, in its very legitimate enthusiasm, had direct contacts with some East German experts and invited them to see whether the Neiveli lignite could be used to produce steel. As we know, East Germany is producing steel mostly by the low shaft furnace method, utilising the abundant lignite available there. So, it is quite natural that, in our anxiety to have a steel plant in our State, the Madras Government wanted to consult some of the experts there. We hear that a special correspondent from Delhi has written in a Madras newspaper that

it has irritated the Central Ministers to such an extent that they want to postpone the whole proposal and stop any investigation in that matter. I do not think it is true, but all the same, I would request the hon. Minister to clarify the position. The East German experts, after visiting that place and testing it, were very hopeful and they gave us more hope. It was even published widely in newspapers in Tamilnad and other places also that it is quite possible to set up a steel plant with the low shaft furnace method, utilising lignite to produce steel. I only request the hon. Minister to give an assurance regarding this also.

Another factor which I want to bring to the notice of the Minister is that the East German experts have also ild that the ore obtainable in Salem district is much superior to that which is obtainable in East Germany, which is actually put to use. So, these are the factors which go to prove that it is not only feasible, but it will be a profitable proposition also to have a steel plant in Salem.

In this connection, I wish to draw the attention of the Minister and the House to the question of regional disparities that exist at present, in the matter of having heavy industries. That is a very big problem, but whenever it is raised, it is brushed aside and treated in a light manner. It is really very good that we will have a discussion through a Private Member's resolution which is coming up tomorrow about that question. I would like to say that even the advanced countries like England, USA and the Soviet Union are keeping a very vigilant watch that all the industries are equally dispersed throughout the country and no particular area is neglected very badly or becomes an area of concentration of heavy industries.

In England the question of regional distribution of industries was examined by the Royal Commission on the Distribution of Industrial Population in 1937, which recommended the—

> "decentralisation or dispersal both of industries and industrial population from the congested urban areas to open rural areas".

It unanimously approved that the objective of national economic planning should be the encouragement of a reasonable balance of industrial development throughout the various regions of England, coupled with diversification of industry throughout the country. The Scott Committee on Land Utilisation in Rural Areas in England equally emphasised on the dispersal of industries.

In the USA, the question of regional planning was examined by the National Resources Planning Board. In the Soviet Union also, the Soviet third Five Year Plan (1937) realised that excessive concentration of industry does not always pay economically. The post-war Plan of rehabilitation and Development of Russian economy (1946-50), gaining from the experience of the war, was perceptibly conscious of the need for dispersal of industry especially in the eastern areas.

In particular reference to the iron and steel industry in the Soviet Union, this aspect has been taken into very serious and active consideration. They have published a small pamphlet entitled *Soviet Iron and Steel Industry: Development and Prospects* published by the Foreign Languages Publishing House, Moscow. On page 65 in that book, they have described the process:

> "Guided by the principles of the balanced distribution of the productive forces, the Soviet state has effected radical changes in the geographical distribution of the iron and steel industry. Prior to the Revolution, the industry was concentrated in three regions—the south, the Urals and the Centre."

[Shri Sampath]

In the last paragraph on the same page, they say:

> "A characteristic feature of the change in the distribution of industry in general and the iron and steel industry in particular, is its eastward movement."

I am bringing out all these things to the notice of the hon. Minister to emphasise that this question should be approached with these ideas. Already there are severe complaints. Even in this House, today all the Members spoke laying emphasis on their regions. So, we cannot simply brush this idea aside, saying it is narrow parochialism. The hon. Member who preceded me, Shri Morarka, said that it was quite heartening that Bokaro is having a fourth steel plant. Really it is a matter for him to be happy, as he hails from that place. Before that, Shri Reddy throughout his speech stressed the need for having a steel plant for Andhra. It is quite essential. Now the tendency seems to be to have concentration of heavy industries in a certain belt which lies in the north of this country. Maybe the Minister may say he comes from the northernmost part and for him, it may be south; but to us it is north. There they are building up a big belt of heavy industries. After sometime, the administration will feel it much easier to expand the existing heavy industries rather than setting up new heavy industries in other regions. So, this tendency should be checked from the beginning. That is why I am emphasising this point so much.

Regarding oil exploration, repeatedly in this House, the Minister had been saying that it is being done. I would request the hon. Minister to go through the article written by Dr. M. S. Krishnan in the *Hindu Weekly Review* dated 28th December, 1959, in which he gives the exhaustive details about petroleum in the Tanjore basin. He very emphatically says:

> "It now remains to extend the geo-physical survey, which have so far been done by the Geological Survey on a small scale, to the rest of the area, using particularly the seismic methods in order to get data about the thickness, distribution of structural peculiarities etc. of the strata in the basin."

Such a survey would provide the data for selecting the most promising site for drilling. So, the demand has been there for a very long time. We do not know why it has been delayed. Of course, we do not suspect the *bona-fides of* the Minister. Anyhow, it is being delayed. There is very good scope for that in the area from Cuddalore to Salem, Mettur, Sathyamagalam and Mettupalayam. That is a very good belt for prospecting oil. There we have got lignite, iron etc.

In conclusion, I would request the hon. Minister to give seismic apparatus very soon to that area and to conduct survey in right earnest to see that backward area is developed.

श्री बकलीवाल (दुर्ग): सभापति महोदय आप ने मुझे बोलने का समय दिया उसके लिए मैं आपका बड़ा आभारी हूं ।

मैं सदन के सामने बहुत टैकनिकल बातों में नहीं जाना चाहता । आपके सामने मिनिस्ट्री की ओर से जो जो चीजें आयी हैं उनसे हमको बड़ी प्रसन्नता है । और लोगों ने भी उनको सराहा है । पर जितनी चीजें सामने आती हैं ठीक क्या वह वैसी ही होती हैं ? और वहां कुछ गलतियां भी होती हैं जो यहां सामने नहीं आ पातीं । मैं भिलाई क्षेत्र से ही आता हूं । मुझे मालूम है कि वहां प्रोजैक्ट चल रही है और उत्पादन भी हो रहा है और काम भी ठीक ढंग से चला है, लेकिन फिर भी अन्दर क्या गलतियां हैं उन को हमें ध्यान में रखना है । मैं मिनिस्टर साहब का ध्यान आकर्षित करना चाहता हूं कि योजना बड़ी सुन्दर होने पर भी, उस पर अगर ठीक से अमल न हो, तो उत्पादन चाहे

बढ़ जाये, पर जिस भावना से हम आगे बढ़ रहे हैं उस भावना का लोगों पर प्रभाव पड़ने में बाधा पड़ती है ।

वहां पर यह जो भिलाई का कारखाना बन रहा है यह सार्वजनिक क्षेत्र का है । जब हम सार्वजनिक क्षेत्र में जाते हैं, तो उत्पादन बढ़ाने के लिए और खर्च कम करने के लिए यह जरूरी है कि लोगों में इस प्रकार की भावना और उत्साह पैदा किया जाये कि यह हमारा प्राजेक्ट है । जब तक यह भावना काम करने वालों में नहीं आवगी तब तक यह प्राइवेट सेक्टर और पब्लिक सेक्टर का झगड़ा बना रहेगा । अभी तक सब बातें ठीक ठीक हमारे सामने आयी नहीं हैं । इस चीज को बताने के लिए भिलाई में एक महीने पहले कुछ घटनाएं घटी उनकी ओर आपका ध्यान आकर्षित करना चाहता हूं । अगर भिलाई में सब चीज ठीक है तो वहां काम करने वालों ने उत्पात क्यों खड़े किये ? इस उत्पात के कारण लाखों रुपये की हानि हुई और कुछ हिस्सों को फिर से बनाने के लिए रुपये खर्च करने पड़ रहे है । ऐसा क्यों हुआ ? इसकी ओर मैं आपका ध्यान आकर्षित करना चाहता हूं ।

प्राइवेट सेक्टर में तो मैं ऐसा मानता हूं कि वहां पर जो काम करने वाले लोग रखे जाते हैं तो मालिक उनको इसलिए रखता है कि वहां उत्पादन इस तरह से बढ़े और आमदनी इतनी हो कि जिसमें उसकी पूंजी बढ़े । तो वहां सम्भवतः पक्षपात की सम्भावना कम रहती है । लेकिन यहां सार्वजनिक क्षेत्र होने की वजह से जो एम्पलायर है वह सचमुच में एम्पलायर नहीं रहता बल्कि एम्पलाई एम्पलायर बन जाता है और इसलिए वहां यह होने लगता है कि जो अफसर वहां चना जाता है वह अपने मन के आदमियों को भरने की कोशिश करता है, और टैक-निकल साइड में भी ऐसा होता है । मैं आप को एक उदाहरण देता हूं । हमारे यहां बिलासपुर में सोनी में एक ट्रेनिंग का स्थान है । वहां लड़के पढ़ते हैं । वहां से एक लड़का पास हो कर आया और उसने दरखास्त दी । दरखास्त देने के कई महीने के बाद उसे इंटरव्यू के लिए बुलाया गया और जब वह इंटरव्यू के लिए आया तो उसको इसलिए भेजा गया कि उसे काम आता है या नहीं, पर बिना परीक्षा के ही कह दिया गया कि वह अनफिट है । जब वह लड़का मेरे पास आया तो मैं ने जनरल मैनेजर साहब से कहा, उन्होंने शान्ति के साथ सुना और कार्रवाई की । फिर भी उसको टैस्ट में भेजने में दो महीने लग गये, और टैस्ट में वह सब से उत्तम निकला । इस तरह की चीजें वहां हुआ करती हैं । इसकी ओर मैं आपका ध्यान आकर्षित करना चाहता हूं ।

वहां कोई नियम नहीं है, कोई कानून कायदा नहीं है, कि किसको कब तरक्की देनी चाहिए । कोई आदमी जो ६ महीने पहले भरती हुआ है उसको लोअर डिवीजन से अपर डिवीजन में कर दिया जाता है, और फिर ६ महीने के बाद वह उस आफिस में हैड बन जाता है और कुछ लोग तीन-तीन चार-चार बरस तक काम करते हैं और फिर भी जहां के तहां पड़े रहते हैं । वहां यह सब होता है और एपाइंटमेंट और प्रोमोशन के लिए कोई कायदा नहीं है । जो वहां के अफसर चाहें वही कानून है, और वही कायदा है । मैं यह नहीं कहता कि वहां का मैनेजमेंट योग्य नहीं है । योग्य तो है, लेकिन पब्लिक सैक्टर है न । वहां मैनेजमेंट एक अथारिटी है, दूसरी अथारिटी वह स्टील निमिटेड है, उसके बाद मिनिस्ट्री है और उसके बाद मिनिस्टर साहब हैं । अब कौनसा अधिकार किसके पास है इसका भी हम को ठीक से पता नहीं होता । इसलिए मेरा सुझाव है कि वहां आफिसर्स के भी कोआर्डिनेशन नहीं है ।

मैं आपको बताना चाहता हूं कि वहां पर हर चीज जो ठेकेदार से करायी जाती है वह दूसरी जगह की अपेक्षा महंगी होती है,

[श्री बाकली वाल]

इसलिए कि वहां का फाइनेंस विभाग एक-एक डेढ़-डेढ़ साल तक बिलों का पेमेंट नहीं करता। और मुझे पता लगा है कि बिल दिये हुए गायब हो जाते हैं और पता नहीं लगता कि कहां चले जाते हैं। जहां पर ऐसी चीजें होती हों वहां पर असंतोष का होना स्वाभाविक है।

दूसरे कोई चीज मालूम होने के बाद भी उस पर कार्रवाई समय पर कभी नहीं होती। मैं आपको बताऊं कि साल भर के पहले वहां हम ने लिखा था। बदकिस्मती से कहिये या खुशकिस्मती से, वहां एक यूनियन है, जिसका नाम भिलाई स्टील वर्कर्स यूनियन है। वह इंटक से एफिलिएटेड है। मैं उसका चेयरमैन हूं। मैं ने कभी मजदूर आन्दोलन में काम नहीं किया लेकिन फिर भी करना पड़ा। साल भर पहले हम ने कहा कि आप जो ४३ और ४८ रुपया मजदूरों को देते हो इसको बढ़ाओ। उसका कोई जवाब नहीं आया। लेकिन शायद सितम्बर में या अगस्त में हमारी प्रान्तीय सरकार ने मिनिमम वेज फिक्स किया, तो हम ने कहा कि ४८ का ६० उसके मुताबिक होना चाहिए। लेकिन फाइनेन्स डिपार्टमेंट ने इन्कार कर दिया। फिर उस दिन बहुत तूफान उठा, जिसका नतीजा यह हुआ कि उन्होंने दो तो जीपें चला दीं और बिजली के कारखाने के अंदर आदमी घुस गये और अगर उनको आधे घंटे के अन्दर न निकाल दिया जाता तो शायद ब्लास्ट फरनेस बेकार हो जाता, ऐसा लोगों का कहना है। वहां यह चीज हुई कि कुछ लोगों ने मालगाड़ी का डिब्बा, जिस में माल रहता है, धक्का देकर कारखाने के रास्ते पर खड़ा कर दिया और उसको रेल से वैल्ड कर दिया। मैं आनरेबिल मिनिस्टर साहब का ध्यान आकर्षित करना चाहता हूं और पूछना चाहता हूं कि यह कैसे सम्भव हुआ और इसका पता कैसे नहीं लगा। उन लोगों को वैल्डिंग करने का अपरेटस कहां से मिल गया। जो लोग काम करने वाले हैं अगर उनका कनाइवेंस न होता तो यह कैसे हो सकता था। कुछ भी शंका की जा सकती है। जब तक ऐसा न होता वहां यह कार्रवाई नहीं हो सकती थी। तो मैं आप से यह कहना चाहता हूं कि ये सब बातें तभी होती हैं जब लोगों में असंतोष होता है। खाली उत्पादन बढ़ जाये यही काफी नहीं है। अभी निर्माण काल है, उत्पादन तो बढ़ेगा ही। अभी बहुत से लोगों को नौकरियां मिल जाती हैं। जब कारखाना पूर्णतया बन जायेगा, और चलने लगेगा, तब छटनी होगी, और तब क्या स्थिति रहती है यह देखने की बात होगी। छटनी अभी भी हो रही है। लेकिन उसका क्या तरीका है यह मैं नहीं कह सकता। किसी भी चीज का बिना नियमों के आधार के संचालन होना बड़ा कठिन काम है। मुझ को तो ऐसा लगता है कि भिलाई का कारखाना बहुत से लोगों के लिए अपने रिश्तेदार मित्र या परिचित लोगों को जॉब दिलाने का स्थान बन गया है। पब्लिक सैक्टर के सफल होने के लिए यह भी आवश्यक है कि जो कोई कारखाना इत्यादि हो, उस के आस-पास का वातावरण उस के पक्ष में बने। मैं यह बताना चाहता हूं कि वहां स्थानीय लोगों को कोई स्थान नहीं मिलता है। अब उन को चपरासी और क्लर्क के स्थान थोड़े से मिलने लगे हैं। अगर स्थानीय हवा उस के पक्ष में नहीं बनेगी, तो पब्लिक सैक्टर चलने वाला नहीं है। मैं यह नहीं कहता कि जो लोग रखे गए हैं, उन को निकाल दिया जाये। जो रख लिए गए हैं, वे तो रख ही लिए गए हैं। लेकिन अगर मिनिस्टर साहब इस सम्बन्ध में जांच करने का कष्ट करें, तो शायद उन को मालूम होगा कि कई लोग बोगस सर्टिफिकेट के कारण ही स्थान पा गए हैं। अगर वह उन लोगों की लिस्ट देखें, जो कि ट्रेनिंग के लिए रूस

भेजे गए, तो उस में उन को मध्य प्रदेश का कोई नाम नहीं मिलेगा। यह तो ठीक है कि हमारे यहां कल-कारखाने नहीं थे, इंडस्ट्रियल एरिया नहीं था और पिछला हिस्सा पिछड़ा हुआ था, लेकिन फिर भी ट्रेनिंग तो दी जा सकती है। अभी वहां ट्रेनिंग शुरू की गई है। वहां पर मुश्किल से उस एरिया वालों को मौका मिलता है। मैं मिनिस्टर साहब का ध्यान इस तरफ आकर्षित करना चाहता हूं कि इतने बड़े ये प्लांट हैं और तीन तीन प्लांटों का संचालन करने के लिए एक कमेटी बनी हुई है। मैं यही बात दोहरा रहा हूं, जो कि औरों ने कही है। हम वहां पर हैं, लेकिन हम को मालूम नहीं होता कि वहां क्या होता है, क्या नहीं होता है। वहां पर रोज कमेटी की बैठकें हुआ करती हैं, लेकिन अगर कोई बात पूछी जाये, तो कहा जाता है कि अभी नहीं है, कल आओ, परसों आओ। अगर कुछ लिख कर भेजा जाये, तो उस का जवाब आयेगा, इस का कोई ठिकाना नहीं है। अगर यहां पर कोई बात पूछें, तो वही उत्तर दिया जायेगा, जो कि वहां से आयेगा। इसलिए इस बात का प्रयत्न करना चाहिए कि इन गड़बड़ियों को यथा-सम्भव कम किया जाये। वैसे हमारे देश में साधारणतया जगहों की कमी है, जगह चाहने वालों की संख्या अधिक है, इस लिए थोड़ी बहुत गड़बड़ी तो होगी ही। लेकिन चैक करने के लिए यह आवश्यक है कि सरकार की ओर से लोकल कमेटी का निर्माण किया जाये। उस में कम से कम चैक तो होगा।

जहां तक मकानों का सम्बन्ध है, कभी तो वहां यहां तक होता है कि मकान अभी तैयार नहीं हो पाए कि वे एलाट हो जाते हैं और कभी तैयार होने के बाद एक एक, डेढ़ डेढ़ महीने पड़े रहते हैं और उन को एलाट नहीं किया जाता है। कई बार ऐसा होता है कि लोग इस विषय में हताश हो जाते हैं, तो बगैर एलाटमेंट के घुस जाते हैं और उन को कोई निकाल नहीं पाता है। जब कोई निकाल नहीं पाता है, तो उन को रेगुलराइज कर दिया जाता है। जहां कोई रह रहा है और अगर वहां ही उस को रेगुलराइज कर दिया जाये, तब तो ठीक है, लेकिन कई लोगों को किसी दूसरी जगह रेगुलराइज कर दिया जाता है और जो वहां रह रहे हैं, उन को किसी दूसरी जगह रेगुलराइज कर दिया जाता है। इन सब बातों के कारण बड़ी असुविधा होती है। ये दिक्कतें इस लिए होती हैं कि वहां पर ठीक ढंग से को-आर्डिनेशन नहीं है। वहां का कंट्रोल ठीक ढंग से चल नहीं रहा है। मैं ये बातें निन्दा की दृष्टि से नहीं कह रहा हूं। हमारे मिनिस्टर साहब योग्य हैं। तीन प्लांट उन्होंने बनवाए हैं और चौथे की बारी है। मैनेजर साहब भी बड़े होशियार और चतुर आदमी हैं। लेकिन तीन चार मालिक हैं। कौन सी चीज कहां बने किस के पास जाये और कब उस की पूर्ति हो, इस में देरी होती है, जिस का परिणाम वही होता है, जो कि पिछले महीने हुआ। मैं मिनिस्टर साहब से प्रार्थना करूंगा कि वह एक ऐसा सेट-अप बनायें, जिस से इन चीजों में कुछ कमी आए। जब तक कमी नहीं आयेगी, तब तक प्लांट तो बनेंगे, उत्पादन भी बढ़ेगा, लेकिन इस से हमारा उद्देश्य पूरा नहीं होगा। अगर हमारे उद्देश्य केवल उत्पादन बढ़ाना ही है, तो फिर पब्लिक सैक्टर की क्या जरूरत है? वह तो प्राइवेट सैक्टर में भी बढ़ाया जा सकता है।

बेजिज के बारे में भी वहां अजीब हालत है। वहां के काम करने वालों की तन्ख्वाह बहुत कम है। अगर प्राइवेट सैक्टर वाले ज्यादा ले सकते हैं, तो पब्लिक सैक्टर वाले क्यों नहीं ले सकते, यह हमारी समझ में नहीं आता। मेरी प्रार्थना है कि जल्दी से जल्दी वेज बोर्ड बना कर वहां की वेतन व्यवस्था को रेगुलराइज किया जाये, काम की व्यवस्था को ठीक किया जाय। वहां पर अगर ठीक तरह से जांच की जाये, तो मालूम होगा कि कई लोग वहां पर खाली फाइल ले कर इधर

[श्री बाकली बाल]

उधर घूमते है, जिन के पास और कोई काम नहीं है । वहां पर जरूरत से ज्यादा लोग है। चपरासी का काम क्लर्क और यू० डी० सी० करता है । हनुमान की पूंछ की तरह वहां का स्टाफ़ बढ़ता चला जाता है । इस पर भी तमाशा यह है कि अगर कोई सूचना चाहिये, तो समय पर कागज़ नहीं मिलते । वहां का फ़िनांस डिपार्टमेंट इतना बढ़िया है कि साल-साल भर निर्णय नहीं कर पाता कि किस को क्या देना है । मैं मिनिस्टर साहब का ध्यान इस ओर आकर्षित करना चाहता हूं । अगर वह इस बारे में उचित कदम नहीं उठायेंगे तो जिस वक्त फुनफ्लेन्ड कारखाना चलने लगेगा, तो फिर बड़ी दिक्कत का सामना करना पड़ेगा । आज-कल तो निर्माण का काम है, थोड़ी बहुत जमहें मिल जाती है, कुछ न खुश रहते है और कुछ खुश रहते है, काम चलता है। लेकिन आगे सरकार को दिक्कत आने वाली है । मैं मिनिस्टर साहब से यह निवेदन करूंगा कि इस का जो एक्सपेंशन होने जा रहा है, उस में हमारे एरिया का ध्यान रखा जाये । अगर वह नहीं रखेंगे, तो फिर जैसे उन की मरजी । चलता तो है ही । हम लोग बहुत पिछड़े हुए है, क्या कहें ? कह कर ही रह जा सकते है ।

मैं एक और बात की ओर ध्यान दिलाना चाहता हूं । लोहा, सीमेंट, चादरें मालूम नहीं कितनी कहां से आती है । दुर्ग बहुत छोटा गांव है । भिलाई की वजह से उस पर काफ़ी बोझ आया । मकान भी बहुत बनते है । लोहे और चादरों का डिस्ट्रिब्यूशन अच्छी तरह से होता है । क्या पता वह कहां से आता है ? वह ठीक लाइन से तो मिलता नहीं, लेकिन फिर भी मकान बकायदा बनते है न कई बार लोग पकड़े गये ।

एक माननीय सदस्य : ब्लैक मार्केट से आता है ।

श्री बाकलीवाल : ब्लैक मार्केट नहीं, भिलाई से चोरी होता है । कई लोग चोरी का माल लेने से पकड़ गये, लेकिन सुबूत न होने पर छोड़ दिये गये । इस व्यवस्था को भी देखना होगा । बहुत सी खामियां है और उन की ओर माननीय मंत्री जी को ध्यान देना चाहिये ।

अन्त में मैं मंत्री महोदय से निवेदन करना चाहता हूं कि वह ऐसी व्यवस्था करें कि भिलाई में जो घटनायें घटी हैं, वे फिर से न घटने पायें और ऐसा मौका फिर न आये और बिना दबाव डाले, बिना को-अर्स किये वह उन मांगों को पूरा करें, ऐसी स्थिति भी रहे । हम चाहते हैं कि हम उन से मिलें, उन को अपनी दिक्कतें बतायें और वह उन को जल्दी से जल्दी दूर करने की कोशिश करें । अगर ऐसा किया जायेगा, तो भविष्य में इस तरह की बातें नहीं होंगी ।

**16 hrs.**

**Shri Thanu Pillai** (Tirunelveli): Mr. Chairman, Sir, the Ministry of Steel, Mines and Fuel deserves our congratulations for the admirable work they have done in the public sector in a the basic industry which decides the fate of the country in future.

The observations that have been made here by way of criticism have been very normal, moderate and I might say a bit constructive also. Lapses there are and if there are people who criticise those lapses with the motive of correcting them, so that the public sector should thrive and it should be able to stand the challenge from other quarters, we should only welcome that. But criticism of the nature that comes from certain quarters not with the motive of correcting or helping the constructive side, but merely criticising because it is public sector, criticising merely because it is done by the Government—well, that

is something which we should take note of.

In the industrial policy of our country steel, coal and fuel and other minerals have been placed in the public sector category. Today some people seem to think that the time has come for them to make inroads and make challenges regarding that aspect of the public sector and try to interfere in it. When the Government started an automobile factory in the public sector, one newspaper wrote that there was interference in the private sector. It has never been said that the Government will not go into any sector. On the other hand, it has been definitely said that the basic industries will be in the public sector. But so far as iron and steel are concerned, Government also decided that existing industries in the private sector will not be disturbed—not only not disturbed but we have assisted them. The Tata Iron and Steel Company and the Indian Iron and Steel Company have received ample aid by way of interest-free loans and foreign aid under-written by the Government. I give credit to TISCO and IISCO for the good work they have done. When I was a school-boy the name of Tata was something very laudable to me. People took it as a heroic name and that history was being made in the industrial and transport sector by Tatas. For that reason we are not going to surrender to that sector any further, because the tempo of the country has taken a different turn. We have decided to develop and the people of this country, the millions and millions of the poor people, have hope and faith that these public sector projects in which we are all partners will come up all right and they will have a share in the national prosperity.

However big a private sector might be, however important those people might be, it is their own family concern or their friends' concern. We do not say that they should, for that reason, be destroyed or reduced, but Government shall not allow any inroads to be made in the public sector by them.

There was an observation made by one hon. Member that they were prepared to contribute equity capital for the three steel plants in the public sector for future expansion. I beg to submit that the private sector is being given ample contribution by way of loans at low rates of interest and for everything—for billions and crores —they come to the Government. It will be interesting to know that a Company with a total capital of Rs. 4 crores has got Rs. 3 crores from the NIDC, the Government and the Banks and another sum of Rs. 75 lakhs from foreign collaborators and an amount of Rs. 25 lakhs is adjusted by way of their commission and other things. If there is so much money in the private sector to participate in these steel plants, why should they go to the Government asking for loans now and then and asking these investment Corporations to be given more and more money?

Another point raised was that not only the Indian capitalist but also the foreign capitalist should be allowed to participate in these three projects. My hon. friend Shri Menon was painting the picture of oil going in to the foreign sector of not trustworthy people. I do not believe that our Minister for Steel, Mines and Fuel or his Deputy or the Minister in-charge for Fuel could so easily be tackled by any combination of any foreign people. He is more zealous about the public sector than even Shri Menon could think of because he has got the responsibility on his shoulders to fulfil the objectives which he has taken for which Shri Menon has to wait for long, or wait for ever.

**Shri Narayanankutty Menon:** I am terribly answered.

**Shri Thanu Pillai:** My Minister is capable of handling it, that is my submission. There need not be any fear created that this Government and this Ministry will surrender to the machinations of the private sector. There are two attacks, one from the right and one from the left. Both sides attack

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the Government. Both sides do not want the prosperity of this Ministry.

**An Hon. Member:** To which side do you belong?

**Another Hon. Member:** Right.

**Sardar Swaran Singh:** He belongs to the correct side.

**Shri Thanu Pillai:** We are right in our principle and right in our step. I only say, the Government should not falter in their step or alter their path. We have gone on the right path and we have progressed and succeeded in it. In an industry where we have succeeded, why should there be any criticism to undermine it? People think that because of some political noises made here and there, about this taxation and that taxation, we would be frightened and go the way of taking aid for our three steel plants from America and other people.

About oil also, I have got perfect confidence in our Government and in our Ministers that they will not go the way which Shri Menon desires them to, so that he may be able to paint them as a failure and come and say, "Look here, the Congress Government has failed." I hope the hon. Minister will be careful. If there is any truth in it. I am sure the Minister in-charge will take note of it.

My hon. friend Shri Sampath, a Member from Madras, spoke about the regional development. In the Second Five Year Plan, we have already enunciated. . . .

**Shri Narayanankutty Menon:** Your Minister knows better how he felt when he dealt with Oil Companies.

**Shri Thanu Pillai:** When he has got that knowledge, I do not think your fear can have any effect on him.

**Shrimati Parvathi Krishnan** (Coimbatore): Your brief too is unnecessary.

**Mr. Chairman:** There should be no argument across the floor.

**Shri Thanu Pillai:** About the development of south zone, the hon. Minister was good enough to say—and Shri Sampath was also good enough to admit—that under the Neyveli project the target of 6 million or 7 million tons will be achieved. But along with that I wish to submit that iron and steel plants with Neyveli lignite and Salem iron ore should also be considered.

During the last general discussion something cropped up and the hon. Minister spoke about the production of lignite being increased. But about the steel plant, I think, it is still being considered and I hope the Minister will give some sort of an idea as to the stage at which it is and how soon we could expect it.

About the expansion of the steel plants during the Third Plan, I wish to submit that we should have more steel plants and not simply depend upon the expansion of the existing plants. The hon. Minister in his statement today said that we can hope to get about 8½ million tons in this plant expansion and something more which could be set up in the new Plan. But then, the demand at that period, at the end of the Third Plan would be much more. Fore a country which was producing about 1½ to 2 million tons at the beginning of the Second Plan period, if by the end of the Second Plan period it should be able to consume 6 million tons and the demand will be something more, naturally by the end of the Third Plan period it will be much more than that. Therefore I submit that in our Third Plan, which is going to be of a bigger order than the Second Plan, not one but three steel plants should be started again.

We have got the experience of these three plants in the public sector. Our engineers are capable of developing their own technique, putting up their own plant, and we are proud that we

have got that talent and technique in this country that our Ministry is able to say that the fourth plant will come, fabricated by the Indian engineers and Indian talent. If we can have the fourth plant, let us have the fifth and the sixth, if necessary. No price will be high for giving this basic essential industry the aid that it requires.

There may be other demands. But if out of Rs. 7,500 crores we could have three plants, out of Rs. 9,500 crores we must have more. I will be satisfied with three new plants with capacity to enlarge to 2 million or 3 million tons with scope for further expansion.

**Shri D. C. Sharma** (Gurdaspur): One in Madras.

**Shri Thanu Pillai:** My hon. friend Shri Sharma grudges even that, for giving it to Madras perhaps. I do not mind one being set up in Punjab also.

Regarding the small rolling mills, they have said that they are going to freely license the rolling mills. But I submit that the rolling mill licensing alone will not solve the problem. When you allow an industry you must also allow the raw material. Whether the billets will be available for those small rolling mill people, whether the coal that is necessary for that would be available for them or they would have to depend upon the open market which is called the black market, are things that have to be considered.

Something was said about the steel prices being reduced. I would be happy if the people in our country would be able to get iron and steel at the present control prices liberally. Any reduction I do not suggest. Some people argue that there is no use of giving high wages when the material is not available. Similarly, there is no use of reducing prices when there is no material to go about. If we reduce the price of a material which is not in adequate supply, that will only enhance the black-market price and the profit in the black market will be greater. Price reduction can be considered only when the commodity is so freely available as to be available at control prices.

About petrol and diesel oil and the public sector oil concern, some doubt was also expressed about the capacity to consume petrol. I submit that with all this increased price of diesel oil, petrol cannot still compete with diesel. Therefore, if we are having more production of petrol, and not of kerosene and diesel, Government should consider reducing the price of petrol to be able to attract the attention—not wait for the small car to be produced—but even of the bigger cars. If they could profitably utilise the petrol capacity, I request the hon. Minister to consider that.

One more thing and I will finish. There has been the question about the Geological Survey and the Cauvery Basin. Shri Narayanankutty Menon, again, contributed some ideas to that. He said that the survey team, some foreign team, could not be trusted. And with regard to the boring tests he said that they will go on boring where oil will not be struck, and that oil will never be struck. And he recommended that party to go to the Cauvery Basin. Please, Sir, I don't want such a party to go there.

**Shri Narayanankutty Menon:** I did not recommended that party. It is a different party, Indo-Corburi of Italy, that I mentioned.

**Shri Thanu Pillai:** That is what I understood. Because, he said that the Natural Gas Commission is doing well, but the other collaborators are very bad; and he said, "please do not send them to Cutch, send them to Cauvery Basin." I say, Sir, please don't send them to Cauvery Basin. Even if it is delayed, please send us a good team which will not spoil things.

**Shri Mahanty:** Mr. Chairman, Sir, I am not chary of paying compliments to the hon. Minister of Steel. That I do in abundance But, coming to

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the Steel Ministry's demands, and surveying some of its activities, particularly in the sector of steel production, my feelings are not without regret that the genius of Hindusthan Steel has made steel shorn of its shining efficiency, its steely forthrightness and has reduced it to the tentativeness, maybe of clay or of cotton. Therefore, with all my regards for the Ministry, if I offer my comments regarding the production of steel in the public sector, it is not out of any motive to pull down the public sector, much less Hindusthan Steel, but to point out some of its deficiencies so that the situation can be improved.

The genius of the Planning Commission found out a name for the Second Five Year Plan, and that was "core plan". And in that core plan, steel was the hardest core, and all our resources were scrapped for fulfilling the targets of steel production in this country.

The reasons are very simple; because, due to lack of perspective, during the First Five Year Plan, we had paid no attention to the production of steel. Then, when we woke up on the eve of the Second Five Year Plan we had set a very modest target to produce 4·3 million tons of steel. Today it is anybody's guess as to what will be our achievement. The annual report produced by Hindusthan Steel, though it is admirable in many respects, in printing, get-up, etc . . .

**Pandit K. C. Sharma** (Hapur): Not the content?

**Shri Mahanty:** It does not give us the barest idea as to what should be the achievement of steel production during the Second Five Year Plan.

According to the figures of the Planning Commission, which again are very tentative, the achievement may be of the order of 3 million tons, which I doubt. Taking into account the achievements, the performance, of the three steel mills in the public sector, we may not even exceed the 2·5 million tons limit.

Be that as it may, I would like to view the Steel Ministry's demands from this angle and from this perspective, namely, to what extent it is going to carry us forward in the achievement of our production target during the Second Five Year Plan as well as what legacy it will leave for the Third Five Year Plan, how we are going to attain even the minimum objective that we have set for the Third Plan, namely production of ten million tons of steel ingots.

I would not like to dwell on the bottlenecks which the Ministry has created, which are working as a break on expansion of production, because already references have been made to the failure in commissioning the five coal washeries for which we had made provision during the Second Plan, but to that I wish to add only one fact. It has been calculated that one per cent of increase in the ash content of the coal used results in increasing the cost price of steel to the extent of Rs. 3 per ton. If my information is correct, today we are using coal with 17 to 20 per cent of ash content. One can very well calculate how this failure to commission the coal washeries and supply the required quantity of metallurgical coal is resulting in not only increasing the price, but also diminishing our production. I hope and believe the hon. Minister will be in a position to tell us when these five coal washeries are going to be commissioned.

In this context, I would invite attention to the abnormal delay that has taken place particularly in the case of the Rourkela plant. Again, neither the Report of the Ministry nor the Annual Report of Hindustan Steel has given us any idea as to the reasons for this abnormal delay. For instance, in Rourkela the first coke oven battery was commissioned on 1st February, 1959 while its due date

of comp'etion was October, 1958. In the case of the second coke oven battery, only one sub-battery was lighted on 11th January, 1960 even though the due date of completion was February, 1959. The third has been promised at the end of 1960-61 even though its due date of completion was August, 1959.

The first blast furnace was commissioned in 1959, and it has not yet attained full production. I s due date of completion was October, 1958. In spite of the abnormal delay the first blast furnace that was commissioned in 1959 has not reached full production. The reason is that the steel melting shop has not been commissioned. Of course, it is very easy to say that the steel melting shop has not been commissioned, there has melting shop has not been commissioning of the steel melting shop and the commissioning of the blast furnace, and therefore there has been shortfall in production. It does not require much explanation. What requires much explanation, in which the whole nation is interested, is the reason for this time-lag. Let it be remembered that planning is not surrendering abjectly to certain mysterious forces over which you have no control. Planning means controlling these chaotic forces. I believe the Ministry is abetting rather than controlling these forces.

The second blast furnace was commissioned in 1960, one year after the scheduled date. One does not know when the third, which was due in August, 1959, will be commissioned.

The rolling mill was due to be completed in March, 1960, but no mention has been made about its progress either in the Annual Report of the Hindustan Steel or the Report of the Ministry.

In this context, I would like to invite the attention of the hon. Minister, with due humality, to one fact. It should be remembered that the public sector is not a luxury; it is a means to an end but not an end in itself. The House knows very well my views on the public and private sectors. I am no admirer of the private sector, and I would be happy indeed, if there could be only one sector, the na ional sector, but the fact has to be remembered that the public sector is not an end in itself but only a means to an end. The delay in the Steel plants is causing us a loss of one mil ion rupees every day.

**Shri K. D. Malaviya:** Will you kindly explain your national sector?

**Shri Mahan'y:** I can explain if the hon. Cha rman gives me some time. The national sector is where both the private and public sectors are intermingled and function not in a spirit of conflict, but as complementary to each other.

**Pandit K. C. Sharma:** It is the Janus of he two sectors.

**Shri Mahanty:** After all, the hon. Minister who is a student of philosophy must have known what is monism and what is dualism.

**Pandit K. C. Sharma:** He is a chemist.

**Shri Mahanty:** Then, he must know it better—elector and proton.

I do not stress it, but let him disabuse his mind of this concept that the public sector is an end in itself. Not even the Government is an end in itself. Everything is meant for the people and should be viewed from that perspective.

We find tons of public money being invested in the public sector. Of course, I do not blame the hon. Minister, bu why has there been this delay? It is on account of the fact that the civil engineering works were entrusted to certain engineering firms, to an Indian firm and to a German firm. Last year the hon. Minister paid a very handsome compliment to

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the Indian engineers, I refer to Messrs. Duggals. I do not know if all the material was in his possession then, but he paid a very handsome compliment to them, and I also joined with him in saying that they had done a wonderful job. But the fact remains that in the meantime the Public Accounts Committee Report has come out wherein they have mentioned at page 42:

> "In the face of the above facts, the Committee consider that the choice of the firm for doing this work was unfortunate."

**Shri Naushir Bharucha** (East Khandesh): Is that from the 33rd Report?

**Shri Mahanty:** No. This is the Twenty-fifth Report of the Public Accounts Committee which was published in March, 1960. The Audit Report also has not paid very high compliments to this Indian firm. The Estimates Committee, in its Thirty-third Report, had also made some observations.

When we come to the German engineering firm, we find that no less a person than Dr. Hans Heinrich, Director-General of Messrs. Krupp & Demag, who are associated in the construction of the Rourkela plant, has, according to a publication in a German weekly which has been reproduced in the *Times of India*, expressed certain views. The report says:

> "Dr. Heinrich is believed to have been aghast to find that out of 20 pig iron tanks, only four or five were fit for use, that the steel converters were not operating because the converter wall linings made by a world famous German firm of 300 years standing had proved to be faulty and that a Siamens kiln had been put into operation by their own German engineers without taking adequate precautions, which had led to its being incapacitated."

From this it will be seen that Rourkela, as it has been characterised, is a tragedy in steel and a tomb of the German enterprise. I need not dwell on this matter further.

The other day, during Question Hour, I had asked whether there was any penalty clause in the agreement with the contractors, and if so whether the Government were going to take suitable action against these contractors who have been fiddling not only with the nation's money but also with the nation's aspirations. The hon. Minister said:

> "The normal contractual rights under the law will decide. I do not think there is any specific clause by way of penalty."

But the Secretary of the Ministry, Shri Bhoothalingam, appearing before the Estimates Committee had mentioned that there was a penalty clause, but the fixing of responsibility for delays was a complicated affair and no occasion had arisen to do so. I believe the occasion has arisen now about that there should be no shadow of a doubt. There has been a shortfall in production which the hon. Minister admits. I need not stress this matter further. I once again urge upon the hon. Minister that the penalty clauses in each and every agreement with these two contracting firms must be invoked and suitable steps taken to realise from them the penalties due under the agreement. Otherwise, there will be a feeling that a premium has been put on inefficiency and all this kind of reckless play with the nation's aspirations.

Now, I come to the next point, which is more important according to me, namely the targets of production for the Third Five Year Plan. I do not know if the Ministry have worked out any figures. Therefore, I maintain that production of steel in this country lacks perspective. The working group have set the target

at 10 million tons of steel ingots, which the hon. Minister in his preliminary statement has corroborated, by saying that the Ministry by and large accepts the targets set by the working group. But if he would have cared to go into the break-up of these 10 million tons of production of steel ingots, he would have found that there was a difference of 1·5 million tons. For instance, Jamshedpur will produce 2 million tons, Burnpur 1 million tons, Mysore 0·1 million tons, Rourkela 1.8 million tons (about which I have my grave doubts), Bhilai 1·8 million tons, Durgapur 1·6 million tons, and the electric furnaces, existing and under construction will give 0·2 million tons. The total is 8.5 million tons. If he is thinking that he will get 1·5 million tons from the Bokaro plant which is yet to come, which is in the womb of uncertainty, let me tell him that it is mere optimism. It takes five years for a plant to go into production. Their own record has shown that they have taken more than five years in the case of Rourkela, or something like six to seven years for attaining production. Therefore I have a hunch that they are not only not going to attain 1.5 million tons from Bokaro, but they are not even likely to attain 8.5 million tons of production, unless they streamline their organisation. I maintain that all this has taken place—for that, the Ministry is not fully responsible—because they have very little control over the sprawling empires in Rourkela, in Bhilai and elsewhere.

Hindustan Steels has the unique appreciation of wisdom and old age. All the retired officers of the railways find their cosy berths in the Hindustan Steels. All the retired officers even beyond the age of superannuation find their place in the Hindustan Steels. I shall also grow old one day, and therefore, I am not chary of saying that they should not be provided for. But until the Government removes this bottle-neck on efficiency, until they remove this bottle-neck on career, until they remove this bottle-neck on youth which is aspiring to build, there could be no increase in production; not even a blade of grass will grow in this country. Old age and wisdom must be given their proper place, but I am sorry to say that the Hindustan Steels' attachment for old age, which is equated with wisdom must be eschewed, and there should be a new evaluation of efficiency.

I now come to my last point. About pig iron, the working group has set a figure of 2 million tons. I do not find in the scheme for the production of pig iron much to be hopeful about. The fact has to be remembered that we have been exporting iron ores to countries like Japan. And what do we find? We find that in Japan, some of the finished goods are being sold at a price cheaper than what we get them at in India. Bars and rods are selling in U.K. at Rs. 118 lower than the Indian price; in Japan which is sustained by our iron ores, these bars and rods are being sold at a rate Rs. 111 lower than the Indian price; in Belgium, it is Rs. 152 lower than the Indian price; in Australia, it is Rs. 105 lower than the Indian price. I have no time to go into the details, but I make this appeal that there is a very irrefutable case for bringing down the steel prices in this country. When the *per capita* consumption of steel is the lowest in the world, you have no reason to lay down that the steel prices should rule highest in this country which produces steel cheapest.

Since I have no further time at my disposal, I would end with this appeal. Having known the hon. Minister since 1952, I can vouch for this sincerity and for his devotion to the particular work that he takes upon himself. I would once again appeal to him with all humility that let no mantle of protection be thrown against these contractors. Let the penalty clauses be invoked. Let them be taught that no one can fiddle today either with the nation's money or with its aspirations.

**Shri Narasimhan:** At the outset, I would like to refer to a point made by Shri Narayanankutty Menon who initiated the debate on behalf of the Opposition. He was probably over-enthusiastic in view of the fact that oil has been discovered in Cambay and the prospect of finding more oil is increasing. So he said that the Third Plan should be an 'oil' Plan. No doubt, as an ambitious approach to this question, it is all right, but in terms of a cautious approach, a practical approach, to problems, I would not recommend his line of approach. I would rather say: let us not put all our eggs in one basket; let us not swallow more than we can chew. In an integrated plan, there is no use paying extra attention to one particular matter only. The development must be on all sides and should not be confined to one aspect alone. Oil is not the only important thing. There are many other matters equally important and one cannot do without the other. We cannot have an oil programme without electricity; for digging oil wells and running refineries, we require electricity; electricity cannot be there without fuel or irrigation or without lignite, for that matter. So while the approach of the hon. Member is all right as a patriotic approach, as a practical proposition we must consider things rather more coolly.

I wish to pay my humble tribute to the team of Ministers and the Ministry for the great work they have done in their respective fields. It is quite pleasant to see that somewhere oil is being discovered, more coal is found to occur, more lignite is found to occur; it is equally pleasant to hear that there are more areas of diamond, more areas of copper, more areas of gypsum and what not. Even about my own district, an announcement was made that there were uranium, beryllium and so on and so forth. This is a discovery which the Ministry is making with the assistance of hundreds and hundreds of the young men working in this country. We have heard of the "discoverey of India" by eminent men and even small individuals. But this is an additional type of discovery of our own country. The Ministers and the team under them are discovering what we call more of our own country, more of the wealth of our own country under the ground.

The emergence of the Bhilai Steel Plant and other plants is also part of the discovery of the capacity of India to collaborate on a large scale with foreign countries. In the scientific field there is the discovery of of atomic energy and other things. Even in the matter of atomic energy and other things, the geological department of this Ministry was the nucleus out of which that branch was formed. Therefore, the part that this Ministry plays in the discovery of India is really very great and deserves our congratulations.

**Shri A. M. Tariq** (Jammu and Kashmir): It should be called the 'Ministry of Discovery'.

**Shri Narasimhan:** Even in my own district, in the process of discovery, they have found uranium, beryllium, bauxite, magnetite and so on and so forth.

**Dr. M. S. Aney:** We have discovered the hon. Member also.

**Shri Narasimhan:** The Geological Survey and the Bureau of Mines should devote more towards the exploitation of lignite. Shri Narayanankutty Menon spoke about oil. I would like to say that more and more attention should be paid for extraction of lignite. Results so far achieved show that there are several places where lignite is available. Just now we are concentrating on the Neyveli area. There are more and more areas south and north of Neyveli and even in the west coast of India near Rajasthan where this is available. I suggest that they should concentrate much more on the availability of

cheap fuel. It has its own advantage. It is not as if it is useless. The fact that it is cheaper fuel has its own advantages in many fields. Where costly coal need not be used this cheaper fuel can be used with advantage and economy.

No doubt efforts are made to find out more minerals and use some of them in science and to export a lot of them outside. Just as they are interested in the manufacture of iron and steel, why not the Ministry interest itself in producing magnesium—the manufacture of magnesium metal. There are magnesite fields in the country. Why not they produce magnesium metal? That will very greatly help the Defence Ministry which want it for some alloy and for explosives. I would, therefore, suggest that a substantial sum be devoted for the manufacture of magnesium. The method of production seems to be more or less the same as in the case of bauxite. A sum of one or two crores of rupees set apart for this would relieve the country of some of its dependence on other countries for defence in these critical times.

I am very glad that the lignite project is being attended to and the Neyveli capacity is being increased and oil prospecting and the Salem iron ore exploitation are all getting the Ministry's attention. In the preliminary speech of the Minister he made a reference to the utilisation of the Salem iron ore and the lignite. Government are seized of the matter. I hope that after having been seized of the matter they would not leave it but take action at the appropriate time so that nothing need be said at a later stage that they had forgotten it or just did not remember it. It is possible to say 'Yes' now. When lignite is being developed, they should also remember the iron ore of Salem and proper action should be taken.

I find that a certain amount of magnesite clinkers are being produced on a large scale in my district and they are also being exported. They wanted a little concession as an incentive and they have also applied for it. But it is somewhere in the various departments. Nothing is being done. I would say that a little incentive will go a long way.

I have only two more items and I will finish. They are small items. More emphasis should be laid on education and the bringing out of geologists. We have not got the technical men. It is better to have more colleges, and that too near the areas where there are going to be mines and such things. The Hon'ble Member from Bhilai was saying that they were finding themselves foreigners there and that local talent were not being utilised. Let that not be repeated in other places, where, as for instance, in Salem, they have got iron ore and lignite. When crores and crores of money are being invested, mineral education and graduates with knowledge of minerals should be produced more and more. More and more colleges should be situated in and around such places so that local people may be employed to develop their own country.

I was told by some one that in the matter of the Barauni refinery lands were purchased at very high prices. A very reliable man came and told me. There is no reason why he should come and tell me an incorrect thing. I hope the matter will be looked into. I am told that even an acre costs about Rs. 10,000. I hope the Minister will see that high prices are not paid for lands which can be bought at lesser cost.

Lastly, I was glad to know that the bucket wheel excavators are functioning in Neiveli. A couple of months ago I was told that they were having teething troubles—that their teeth broke when digging. I was now told that the two are working, and the third and fourth are also going to come into operation very soon. I hope great care will be bestowed and no difficulty would arise.

श्री आसर (रत्नागिरि) : सभापति महोदय, थोड़े दिन पहले हमारे प्रधान मंत्री ने आल इंडिया मैनुफेक्चरर्स आर्गेनाइजेशन के सामने भाषण करते हुए कहा था कि देश में लोहे के निर्माण के लिये छोटे छोटे उद्योगों का होना आवश्यक है । उन्हों ने यह भी कहा था कि और अधिक निर्माण की छोटी छोटी योजनायें तैयार कर के भेजिये और सरकार उन योजनाओं पर अवश्य विचार करेगी । उन्हों ने कहा था कि मैं छोटे छोटे उद्योगों को अधिक पसन्द करूंगा । लेकिन मुझे ऐसा लगता है कि ऐसी योजनायें बनाना आसान काम नहीं है । व्यक्तिगत रूप से लोग ऐसी योजनायें बना नहीं सकते । सरकार को चाहिये कि वह छोटी छोटी योजनायें बना कर लोगों को दे और देश में जहां जहां छोटे छोटे उद्योगों द्वारा लोहे का उत्पादन किया जा सकता है, वहां वहां इस उद्योग की स्थापना को प्रोत्साहन दे और सहायता दे । यदि लोहे का उत्पादन छोटे छोट काश्तकारों के झोंपड़ों तक में होने लग जाय तो यह देश के लिये बहुत लाभदायक सिद्ध होगा ।

यह कहा गया है कि लोहे के उत्पादन में वृद्धि हुई है । हमारे देश में पब्लिक सेक्टर में चलने वाले तीन बड़े कारखाने, भिलाई राउड़केला और दुर्गापुर हैं । इन के बारे में आज सुबह मंत्री महोदय ने कुछ कहा है । लेकिन दुर्भाग्य से मुझे यह कहना पड़ता है कि जो स्कैंडल हो सकते हैं, उन के लिये ये कारखाने एक आदर्श उपस्थित करते हैं । भिलाई के बारे में बहुत बार इस सदन में चर्चा हुई है और वहां पर कितना कोरप्शन चलता है, इस का कोई अंदाजा ही नहीं है । एक अक्तूबर को पब्लिक एकाउंट्स कमेटी के सदस्य, जोकि संसद् के सदस्य हैं, उन्हों ने भिलाई के अधिकारियों से भेंट की थी और उस भेंट के दौरान में पता चला कि हिसाब किताब में बहुत सीरियस गड़बड़ी है । इस बारे में पी० ए० सी० के सदस्यों ने जो कुछ कहा है, मैं उस को आप को पढ़ कर सुनाना चाहता हूं । उन का कहना है :—

"Fabulous amounts spent on various items were not supported by vouchers and it was found that vouchers pertaining to an amount of Rs. 26,16,800.2 nP. were completely missing. The management was said to be devising some method to adjust this huge amount somehow or the other.

A sum of Rs. 17,45,542.14 nP. shown as difference in the advances to Visakhapattam Port quite sometimes back was not reconciled so far and management had not yet decided as to how and when the reconciliation of this amount was to be made."

मैनेजमेंट की लापरवाही के कारण और रेलवे से माल ढोने की ठीक व्यवस्था न होने से कारण कम्पनी को ५ लाख ६२ हजार ४५८ रुपये डैमरेज के तौर पर देना पड़ा है । इस तरह की कितनी ही और बातें बतलाई जा सकती हैं । लेकिन इस तरह की बातों को होने से रोकने के लिये सरकार की ओर से कोई कदम उठाये गये हैं या नहीं, इस का कुछ भी पता नहीं है । जो लोग इस गड़बड़ी के लिये जिम्मेदार हैं, उन के खिलाफ कोई कार्रवाई की गई है या नहीं इसका भी कुछ पता नहीं है । हम चाहते हैं कि हमें इसके बारे में पूरी जानकारी दी जाए । जिस तरह से वहां का काम चल रहा है, उसकी जांच पड़ताल करने के लिए मैं यह भी चाहता हूं कि कोई ज्यूडिशल इनक्वायरी हो ।

भिलाई कारखाने में काम करने वाले मजदूरों को आवश्यक संरक्षण चूंकि नहीं मिले हुए हैं, इस वास्ते वहां पर कई घटनायें घटितहो जाती हैं । उचित सुरक्षा की व्यवस्था न होने के कारण वहां १६० मजदूरों की मृत्यु हो गई थी । वहां पर पीने के पानी की उचित व्यवस्था नहीं है । जो कैंटीन है, जहां पर भोजन मिलता है, उसकी व्यवस्था

भी ठीक नहीं है। इन सब बातों को ठीक करने की आज जरूरत है। इस ओर आपका ध्यान जाना चाहिये।

लोहा उद्योग को हम नैशनल इंडस्ट्री मानते हैं। जब हम उसको नैशनल इंडस्ट्री मानते हैं तो मैं समझता हूं कि वहां पर स्ट्राइक वगैरह का होना ठीक बात नहीं है। वहां काम करने वाले मजदूरों को आवश्यक सुविधायें आपकी तरफ से दी जानी चाहियें ताकि स्ट्राइक वगैरह होने की नौबत न आए।

जो बात मैंने भिलाई के बारे में कही है वही राउड़केला पर भी लागू होती है। वहां पर हर स्थान में कोरप्शन है और इसकी जिम्मेदारी लेने के लिए कोई भी आज तैयार नहीं है। हर एक आदमी जितना लाभ हो सकता है उठा लेना चाहता है। बड़े से बड़े अफसर से लेकर छोटे से छोटे कर्मचारी तक यह समझते हैं कि जनता का माल अपना माल है और अपना ही माल समझ कर वे चलते हैं। इस तरह की स्थिति का पब्लिक सैक्टर में होना शोचनीय है। राउड़केला के बारे में बताया गया है कि कंस्ट्रक्शन के काम में जो सिमेंट इस्तेमाल किया गया है वह लो ग्रेड का सिमेंट था और लो ग्रेड का सिमेंट होते हुए भी उसके जो दाम दिये गये वे नम्बर एक सिमेंट के दिये गये। होना यह चाहिये था कि उस सिमेंट को रिजैक्ट कर दिया जाता लेकिन ऐसा नहीं किया गया। उसके बारे में कोई आपत्ति नहीं उठाई गई। जो सिमेंट रिजैक्ट भी कर दिया गया था उसके दाम भी दे दिये गये हैं। इसका परिणाम यह हुआ है कि कंस्ट्रक्शन का काम ठीक नहीं हो पाया और आज इसके बारे में चिन्ता व्यक्त की जा रही है। साथ ही साथ यह तथ्य भी प्रकाश में आया है कि जिस फर्म ने यह सिमेंट दिया उसने सिमेंट की क्वालिटी का सर्टिफिकेट डायरेक्टर जनरल आफ सप्लाईज एंड डिसपोजल्स से लिया भी नहीं और बिना सर्टिफिकेट के राउड़केला आथोरिटीज ने उस माल को स्वीकार कर लिया। मैं जानना चाहता हूं कि यह जो सर्टिफिकेट है, जो कि लिया जाना आवश्यक होता है, क्यों नहीं लिया गया?

जैसे मैंने भिलाई के बारे में कहा है, वैसे ही राउड़केला प्राजैक्ट के बारे में पंद्रह लाख और सोलह लाख रुपये डेमरेज के तौर पर रेलवे को देने पड़े हैं। अगर पंद्रह लाख और सोलह लाख रुपये डेमरेज के तौर पर देने पड़े तो यह किसी भी दृष्टि से उचित प्रतीत नहीं होता है। इस पर विचार होना चाहिये।

राउड़केला में फाइनेंशल गड़बड़ियां भी बहुत बताई जाती हैं। एक ओर हम समाजवादी समाज की स्थापना का नारा लगाते हैं लेकिन दूसरी ओर जब कभी किसी अच्छे काम के लिए पैसे मांगे जाते हैं तो कह दिया जाता है कि पैसा नहीं है कहां से दें और तरह तरह के दूसरे बहाने लगा दिये जाते हैं। लेकिन जिस तरह से राउड़केला में फिजूल-खर्ची चल रही है उसकी एक मिसाल मैं आपके सामने रखना चाहता हूं। वहां पर बोर्ड आफ डायरेक्टर्स की मीटिंग के लिए एक बिल्डिंग ७ लाख १५ हजार रुपये की लागत से बनाई जा रही है। क्या इस बिल्डिंग की वाकई में आवश्यकता है? यह देखना आपका कर्तव्य है और इस गड़बड़ी को कैसे रोका जाए, यह देखना भी आपका फर्ज है।

राउड़केला प्राजैक्ट के एस्टीमेट्स के बारे में भी भारी गड़बड़ी है। ओरिजनल एस्टीमेट १२८.६३ करोड़ का था। बाद में इसको चार बार रिवाइज किया गया और आज वह १७० करोड़ रुपये तक पहुंच गया है। कांट्रेक्टस के फाइनलाइजेशन के बारे में की गई देरी और इनएफिशेंसी के कारण बहुत से कांट्रेक्टस वैसे ही फाइलों में पैंडिंग पड़े हैं। बहुत से उदाहरण राउड़केला के बारे में वैस्ट जर्मनी के वीकली न्यूजपेपर "डैर स्पाइगल" में छपे हैं और इस योजना

[श्री आसर]

की काफी आलोचना की गई है। इसकी चर्चा टाइम्स आफ इंडिया ने भी की है और उसका टैक्सट आया है। मैं चाहता हूं कि मंत्री महोदय इस बारे में कुछ रोशनी डालें और हमें बतायें कि क्या बात है।

दुर्गापुर के बारे में मैं कहना चाहता हूं कि वहां भी बहुत सी गड़बड़ रही है। डिफैक्टिव पाइलिंग के बारे में इस सदन ने चर्चा की थी और हमें मालूम हुआ है कि इसकॉन कम्पनी ने अब दूसरी मांग यह रखी है कि दुर्गापुर स्टील प्लांट को कमीशन करने के लिए, याने उसको चालू करने के लिए दस परसेंट स्पेशल फी दी जाए, दस परसेंट और दिया जाए। इस मांग के बारे में हमारी सरकार क्या सोच रही है, यह हम जानना चाहेंगे। इस मांग को देख कर सब को बड़ा आश्चर्य हुआ है। इस्कॉन के साथ हमारा क्या कांट्रेक्ट हुआ था और उसके बारे में सरकार की क्या राय है, यह भी हम जानना चाहेंगे। अगर इस मांग को पूरा कर दिया जाता है तो इसका मतलब यह होगा कि डेढ़ करोड़ के करीब रुपया हमें ज्यादा देना पड़ेगा। मुझे तो यही लगता है कि कंस्ट्रक्शन आफ प्लांट का मतलब यह है कि प्लांट को चला कर ही देना होता है। अगर यहां हम देते हैं तो यह गलत बात होगी। इसका कारण यह भी है कि राउरकेला और भिलाई के बारे में हम ने जो कांट्रेक्ट्स किये थे, उनको करने वाले लोगों ने कुछ भी इस तरह की डिमांड हम से नहीं की है। जब वे लोग डिमांड नहीं करते हैं तो दुर्गापुर वाले क्यों करें। हम दुर्गापुर के बारे में जो डिमांड की गई है, उसको पूरा करने के लिए जिम्मेदार नहीं है, ऐसा मुझे लगता है। इसको रिजैक्ट कर दिया जाना चाहिये।

एक बात मैं फेरोज स्क्रैप के बारे में कहना चाहता हूं। सरकार की इस बारे में जो नीति है, उसकी मैं चर्चा करना चाहता हूं। फैरोज स्क्रैप का हमारे देश से एक्सपोर्ट होता है। यहां पर हमारे देश में फैरो स्क्रैप बड़ी मात्रा में उपलब्ध है। लेकिन इसके एक्सपोर्ट पर जो रेस्ट्रिक्शंस लगाये गये हैं उनका परिणाम यह हो रहा है कि आज देश में लाखों टन स्क्रैप मिट्टी में ही पड़ा रहा है। स्क्रैप को इकट्ठा करना, उसको बाजार में ला कर बेचना, यह काम स्क्रैप के दाम कम निश्चित हो जाने के कारण मुश्किल हो जाता है। हमारे देश में स्क्रैप दस लाख टन के करीब मिल सकता है लेकिन देश में यहां पर यह केवल ८५ से ९० हजार टन तक कंज्यूम किया जाता है। १९५९ में करीब २ लाख टन से अधिक इसे एक्सपोर्ट किया गया था। इस तरह से आज देश में सात से आठ लाख टन स्क्रैप मिट्टी में पड़ा है जिसका मतलब यह है कि लाखों रुपया मिट्टी के नीचे दबा पड़ा है। ऐसी बात नहीं है कि स्क्रैप इंडस्ट्री को कोई माइनर उद्योग माना जाय और मैं आपको बतलाना चाहता हूं कि यू० एस० ए० ने इसको महत्वपूर्ण उद्योग माना है और इसका एक्सपोर्ट जापान को किया है। आज हमें भी फारेन एक्सचेंज की जरूरत है। जापान में स्क्रैप की मांग बहुत अधिक है। मैं जानना चाहता हूं कि क्यों हम ने इस पर रेस्ट्रिक्शन लगा रखी है? मुझे लगता है कि रेस्ट्रिक्शन लगा कर हम देश का बड़ा नुक्सान कर रहे हैं। मैं स्क्रैप के बारे में दो तीन सुझाव देना चाहता हूं। इंडियन मर्चेंट चैम्बर और इंडियन मैनुफैक्चरर्स आर्गेनाइजेशन ने जो स्क्रैप आइरन इंडस्ट्री के बारे में हाई पावर कमेटी नियुक्त करने की मांग की है, मैं चाहता हूं कि उस पर विचार किया जाए। जो स्क्रैप आयरन की कीमत पर कंट्रोल लगाया गया है, वह हटाया जाए। यह कंट्रोल डोमेस्टिक उपयोग पर लगाया गया है। स्क्रैप का एक्सपोर्ट पूरे जोर शोर से किया जाना चाहिये। स्क्रैप एक्सपोर्ट बार्टर सिस्टम के आधार पर किया जाना चाहिये।

आखिर में मुझे एक और आवश्यक बात कहनी है और वह यह है कि बम्बई स्टेट में रत्नागिरी डिस्ट्रिक्ट का जो ज्यालोजिकल सर्वे हुआ है उससे पता लगता है कि उसके दक्षिणी भाग में कम से कम २०० लाख टन तक आयरन ओर मिल सकता है। अभी तक रेडी की खानों से ही केवल आयरन ओर निकाला जाता रहा है। वहां बहुत से लोगों ने आयरन ओर के एक्स्प्लायटेशन के बारे में ऐप्लिकेशन्स दी हैं, लेकिन आज दो, दो वर्ष हो चुके हैं, न ऐप्लिकेशन का जवाब ही दिया गया है और न लाइसेंस ही दिये गये। मुझे पता नही लगता कि इस बारे में देरी क्यों हो रही है। तो इस बारे में मंत्री महोदय से मेरी प्रार्थना है कि जब हम रत्नागिरि डिस्ट्रिक्ट को प्राइवेट सेक्टर में एक्स्प्लायटेशन के लिये देने का प्रयत्न कर रहे हैं तो इस के लिये जल्द से जल्द लायसेंस दिये जायें।

भारतवर्ष में उद्योगों की दृष्टि से बम्बई सब से बड़ा औद्योगिक क्षेत्र है। लेकिन इतना बड़ा औद्योगिक क्षेत्र होते हुए भी बम्बई स्टेट में लोहे का कारखाना नहीं है। इस लिये मेरी अर्ज है कि थर्ड प्लैन में हम जब नया लोहे का कारखाना खोलने का विचार कर रहे हैं तो महाराष्ट्र को फर्स्ट प्रिफरेंस दिया जाय क्योंकि वहां आयरन ओर बड़ी तादाद में है और कोयला भी मिल सकता है। मुझे केवल यही कहना है।

**Shri Jaganatha Rao** (Koraput): Sir, I shall confine my remarks mainly to the oil policy of the Government of India. Like iron and steel, oil occupies an important place in our national economy. The consumption of oil is an index of the technical advancement, the industrial capacity and the intensity of transportation of the country. As such, oil should be in the core of the Plan. Government have rightly put oil under State control. But I feel that not only the exploration, but the production of oil and its distribution should be in the hands of Government. The State must be able to control the prices of various petroleum products, which can effectively increase the tempo of industrialisation and transportation in the country.

Oil is the most convenient form of fuel because of its easy transportability and because of the various by-products it produces. It is the most prominent fuel in the world. It is much better than coal and is much cheaper than atomic energy. We find in recent times that there is a shortage of coal in our country. Railways are slowly taking to diesel traction. We also find motor transport switching over to dieselisation. As such, oil has come to occupy and will occupy a more important place in our national economy. Any country which embarks on industrialisation programmes cannot but produce oil.

Government have proceeded in the right direction and we have discovered oil and gas at Jwalamukhi and Cambay. But there is a shift in emphasis. I do not know why the Government is deviating from its declared policies. Last November, Government have called for applications from foreign oil explorers to come, prospect and produce oil. I cannot appreciate or understand the policy of the Government. Is the Government not firm in its policy? Has not Government decided that oil should be in the public sector? What are the reasons that have prompted Government to call for foreign collaboration? I hope the hon. Minister would enlighten the House by giving the reasons that led Government to call for applications from foreign oil explorers? I feel that foreign participation in the oil industry is not at all required. If you want the necessary equipment and technical know-how, you can have foreign collaboration, but a joint venture is not beneficial or in the interests of the country.

**17 hrs.**

For instance, let us look at the Indo-Stanvac project. In that project,

[Shri Jaganatha Rao]

Stanvac holds 75 per cent. interest whereas the Government of India is holding only 25 per cent. interest. The entire management is in the hands of Stanvac Company. 10,000 sq. miles of area in West Bengal has been given on lease to this company. Is it in the interests of the country to mortgage our interests to these foreign companies?

Secondly, if you look into the history of oil, it is always mixed up with power politics in foreign countries. The Government directly or indirectly controls the oil that the other nation produce. There is a desire for the oil cartels to control all the oil in the world. Small countries should make their own oil and they should possess enough knowledge to tackle the problems involved in the oil industry.

Recently there were several criticisms about the Government's policy in respect of oil. Firstly, it is said that oil exploration is a risky business, because there is an element of gamble in it. Every mining operation carries with it this element of gamble. Have we not succeeded? We have spent only about Rs. 8 crores so far and we could discover oil and gas in Jwalamukhi and Cambay whereas some foreign companies in India have spent much more without getting any return. One foreign company has spent about Rs. 20 crores to plan production of 2·5 million tons whereas another foreign company has spent about Rs. 9 crores but has not been able to succeed in getting oil.

Another criticism is also levelled against the policies of the Government that good money is being wasted in pursuit of this gamble. I respectfully submit that it is an anti-national outlook. So far, not even ·5 per cent. of the total capital outlay on oil exploration and production has been spent. Even if 5 per cent. of the capital outlay is set apart for the oil industry in the Third Plan, according to me, it is not high at all. My question is: why should we have foreign participation in this? If we do that, there are many disadvantages. Firstly, if we allow a foreign explorer to come to our country, the principle of exploration carries with it the right to get a licence or lease. Secondly, he will have a share of the profits. So, we should not allow any foreign explorer to come in and try to produce oil in our country. The existence of about 400,000 sq. miles of potential oil-bearing areas in our country calls for a high and ambitious programme of oil exploration. Government should go ahead with the programme boldly and with courage in both hands. We should train our personnel and we should also get the necessary equipment from other countries on payment.

It is also said by some critics that ours is a mixed economy and, therefore, Government should seek the co-operation of the private sector. We have foreign companies working here since a long time in our country. But that is no reason why we should in future also try to get these companies work together with the Government, either in partnership or in collaboration. I can understand international co-operation in the sense that some foreign countries can give us assistance in the matter of technical know-how and equipment. For instance, of the four parties that seem to have applied in response to the invitation of the Government of India, the application of the French Petroleum Institute is a novel one.

This Institute seems to offer a three-year contract in respect of two suggested areas, namely, Cutch and coromandel coast, whereby it will supply specialised tools and equipment and will train Indian personnel. All foreign exchange expenses incurred during the period of contract will be covered by French credit repayable by the Government of India over a subsequent six years' period with six per cent. interest.

This proposal is novel in the sense that the Institute will not have any licence, lease or rights in oil and the Oil and Natural Gas Commission will retain full control over the entire work. I can understand if the Government would like to consider the application of this Frech Petroleum Institute.

Every year we have been importing oil to the tune of Rs. 100 crores and the consumption of petroleum products within the country has risen from two million tons in 1947 to about six million tons in 1958. It is estimated to rise to about ten million tons in 1966. The output from Nahorkatiya is expected to increase the indigenous production of crude oil to 3·25 million tons. But still the gap between the demand and supply will be there. So, unless oil is located in the country and is worked out we will be short of oil.

We have already three refineries in the country and two more refineries are going to be set up, one in Assam and another in Bihar. So we should not think of further expansion of these refineries or setting up new ones because we find that in recent times the consumption of motor spirit is coming down and greater consumption of HSD is taking place. So taking into consideration the overall consumption of oil and the importance that oil has come to occupy in our national economy, Government should be firm in its policy and should not deviate from it. It should try to carry on right from the stage of exploration to production, refining, transportation and distribution, that is, from start to finish. I hope the hon. Minister would do well to enlighten the House about the firm policy that the Government has in view and is going to implement.

**Shri K. D. Malaviya:** Mr. Chairman, Sir, my senior Minister has quite elaborately described the activities that have been assigned to our Ministry and my task has therefore been lessened. The trend of discussion also indicates that the House is not in a mood to enter into details and that it wants us to deal with the basic problems that face us. Indeed it is a welcome feature that we suppress our likes and dislikes regarding details and wish to take care of the broad fundamentals that face us.

It has been correctly said that this Ministry has been assigned the tasks which are most vital to the national development activities. Since the Second Five Year Plan has been worked our emphasis has been greately on industrialisation and more so on the discovery, exploitation and processing of our natural resources. With that end in view this Ministry is pursuing its activities and to our best ability we are trying to implement the policy and the programme which has been laid by this House and which is now for us to report to the House from year to year, whether in this Plan or in the coming Plan.

Now, I would like to deal with some of the important points referred to by the hon. Members here and I would like to be as brief as possible.

With regard to our activities to discover more minerals, it has been quite rightly said that we should not be satisfied with the amount of work. Even the tempo of the work does not satisfy the House. I share this anxiety of the House and wish to assure you, Sir, that throughout this plan period it has been our most sincere effort to keep up to the wishes of the House and to increase our activities in this connection. There are difficulties there and we must try to remove them. To the extent that we are not able to remove them we have to blame ourselves. There are however certain hard realities which I would only like to remind the House. For instance, the difficulty that we are facing in getting the required numbers and quality of technical personnel is indeed a baffling one for us. I would like to point out the shortage of technical personnel which we are experiencing. In the Indian Bureau of Mines alone we have sanctioned posts since 1957 which we are unable to fill. In order to give an idea

[Shri K. D. Malaviya]

to the House I would quote some of the figures which will clarify the situation. In 1957 we had sanctioned posts of 168 Class I Officers but we could not fill more than 71 posts. In 1958 we had 179 sanctioned posts, but we could not fill more than 88 posts. In 1959 we had the same number of sanctioned posts, that is 179 but we could not fill more than 99 posts.

Now, the alternative before us is—a situation which is not quite happy—either we have to be content with people who will not produce good results and will mislead us with regard to the qualitative or quantitative assessment of the natural resources or will break the machines that have to be purchased at great cost and at great pains. There is a world shortage of equipment. It is with great difficulty that we are able to get some badly needed equipment. Similarly, there is a world shortage of technicians. And we have to apply our own discretion with care as to what amount of risk we have to take in choosing even second grade people for handling the machines and for evaluating the results on which we have to rely so far as the exploitation of our natural resources is concerned.

**Shri Vidya Charan Shukla:** Are your pay scales attractive enough to attract the proper people?

**Shri K. D. Malaviya:** It is not the pay scales. We are willing to increase them. As a matter of fact, we did do it. But there is a physical shortage. It takes a number of years for us to prepare the right type of men, and all round the country there is a terrific tempo now. Whether it is steel, or coal, or lignite, or dams, or petroleum industry, or textile industry, everywhere people are required, technicians are required, and we are short of them. I was merely trying to point out one of the difficulties, so that the position might be clarified and my explanation could be more easily appreciated.

Coming to class III grade technicians the number of sanctioned posts in 1957 was 750 against which we could employ only 390. The sanctioned number in 1958 was 802 out of which we could employ only 433. In 1959 the sanctioned number was 833 again, out of which we could employ only 434. Thus, this is a real difficulty which we should all recognise. Now, with that limitation before us we are trying our level best to do as much as we can. I am not worried about the shortage of foreign exchange; but I am really worried about our ability to get the equipment we desire. We do not get them. Therefore, the speed of work in the Geological Survey of India and the Indian Bureau of Mines is not as satisfactory, is not as expeditious as the House would like it to be or as the Government would like it to be. Nevertheless, I would not plead guilty to the charge that we have not done good work under the Departments of the Geological Survey of India and the Indian Bureau of Mines.

Here is a list which has been supplied to me only a few minutes back, of practically all the important minerals which are being explored with the help of the two Departments of the Ministry. In each of them, except for one or two—and that also for international reasons—we have been progressively increasing our mineral production, except in manganese ore where there is a fall in production, because there is no demand. And one or two more: perhaps mica also. But mica is showing a gradual tendency to increase—yes, it is showing a gradual tendency to increase. The rest of the mineral production is increasing progressively. Our total production in gross value since 1955 to 1959 has gone up from Rs. 94 crores to Rs. 140·2 crores. We will thus see that the Indian Bureau of Mines and the Geological Survey of India are doing their best to discover and produce...

**Shri Khadilkar** (Ahmednagar): Is this increase because of the price

factor, or quantity? I want to know the quantiatative increase, excluding the price factor.

**Shri K. D. Malaviya:** Well, the quantitative increase also has been maintained. If my hon. friend is interested in any specific mineral I would immediately quote and show it to him that progressively it has increased.

**Shri Khadilkar:** Copper.

**Shri K. D. Malaviya:** Let us see copper. Copper ore, in 1955 it was 359,000 tons; in 1956 it was 392,000 tons; in 1957 it was 410,000 tons; and in 1959 it was 404,000 tons. There was a drop of 6,000 tons. But it has been progressively increasing except in the last year.

**Shri Vidya Charan Shukla:** What about iron ore?

**Shri K. D. Malaviya:** I will not take much time of the House, but will rapidly review the position of iron ore also. It was 4·7 million tons in 1955 and after that the figures are 4·9, 5·1, 6·1, and 7·9. So, that is also increasing.

What I meant to say was that although we are not satisfied with the tempo of work,—and I have tried to give the reasons which I consider are quite legitimate and genuine—I do not plead guilty to the charge that we are not working to the capacity that we can.

I would like to say a few words especially about copper. My hon. friend Shri Morarka is deeply interested in copper because he comes from a constituency where we have recently discovered good quantity of copper ore.

On the basis of the work so far undertaken in Khetri and Daribo, it has been established that a minimum production of 11,500 tons of electrolytic copper could be planned from the two deposits. The Daribo deposit, which showed only limited prospects, has recently indicated, as a result of persistent exploratory activity, promise of large tonnages of ore containing over 2·5 per cent. copper. In the Khetri deposits, a small section over 2,500 of strike length, which has been successfully explored has indicated 28 million tons of ore averaging 0·8 per cent. to about 1,000 feet of depth. Ore of 1·6 per cent. copper, which can be worked economically, is available to the same depth to an extent of over ten million tons. There is continuity of the ore both laterally and in depths and this is being investigated, though for a target of 10,000 tons of metal, more than the amortization reserves have already been proved. An adjacent zone of 6,000 feet is also being explored and holds out good promise. Two other areas in the belt are being investigated and indicate possibilities of large-scale working. The investigation in these adjoining areas would be completed by the middle of the Third Plan period and targets of production of metal may have to be revised upwards than visualised at present. Two other areas in Rajasthan have been taken up for drilling by the Bureau of Mines and the surface indications and the evidence of the old working here indicate possibilities of big discoveries being made. The Khetri belt itself extends over 16 miles, as is known today, and it is very likely that a large area covered by this belt is mineralised.

I think we have done good work in Khetri. We have discovered large deposits of copper, and if allocations are made to our satisfaction, we can produce electrolytic copper by the middle of the Third Plan period. We have already proved enough quantity and quality which can justify immediately drawing up a detailed project report. Obviously a detailed project report takes some time and money to be prepared. There is a criticism from certain sections as to why we did not prepare a detailed project report. The obvious answer is that we should not unless there is money ready

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for us to exploit the mines. We are ready to exploit this copper ore mines and to produce electrolytic copper of about 11,500 tons as a satisfactory economic proposition, and we hope that the work which we have taken up will increase our estimates. Therefore, the position of copper is very satisfactory.

**Shri Morarka:** The smelting plant will be located at Khetri?

**Shri K. D. Malaviya:** It is difficult for me to say more about it than that I have my greatest sympathy with my hon. friend, and it will be my effort to integrate the entire programme of copper exploration and exploitation in such a way that it is economic and it is also satisfactory in the interests of the idea of regional development. I suppose it is a good idea to have these considerations, so far as nearness to the mines is concerned.

I shall refer also very briefly to another promise that I made, perhaps, some time towards the early part of the Second Plan period, about the Panna diamond mines. As my colleague has already stated, we are at it. Some time was unfortunately taken in negotiating.....

**Shri T. B. Vittal Rao:** Not some time, but five years.

**Shri K. D. Malaviya:** Not five years; but we took about two and a half years. The difficulty was that the property belonged to the private party. According to the law of the land, we had to negotiate it for taking over by paying adequate compensation. There was no other alternative. We could not snatch it from him to which some of my hon. friends would not object.

**Shri Narayanankutty Menon:** In that passive way, it is all right.

**Shri K. D. Malaviya:** This negotiation was a complicated process, and a lot of difficulties was faced by us into which we need not go now, because we have got control now. And we do not have to come to this House now for introducing legislation to nationalise the mines, since we have got it now, and got it quite smoothly.

The Indian Bureau of Mines is preparing the plan to exploit it, and the National Mineral Development Corporation will handle the entire work of exploitation of the Panna diamonds. Just now, the Corporation is doing exploratory mining activities there with a view to find out the actual starting point where we could handle the mining in details.

The exploratory scheme which embraces pipe and alluvial areas will itself produce diamonds on some scale. The exploratory work, however, would indicate the scale of mining to be resorted to, and the Corporation will undertake commercial exploitation as soon as workable reserves are estimated to some degree of certainty. We hope that this is a very propsective area, because the Geological Survey of India has discovered some more pipes near about. Therefore, the entire discovery that has been made encourage us to start our work immediately.

I shall now briefly refer to the oil industry in some of its aspects. My hon. friend Shri Jaganatha Rao and some other hon. friends do not appear to be happy at the way I have indicated the working of the policy of Government in this connection. I do not remember to have ever created the impression that our policy in regard to controlling of oil is shifting from the public sector to the private sector. What I have once or twice indicated is that in this quest for oil in our country, we invite such experienced oil explorers as are inclined to come here and negotiate the working on the understanding that the entire work will be undertaken within the framework of the Industrial Policy Resolution of the Government of India.

With that end in view and also with a view to improve our out-of-date Petroleum Concession Rules, we made certain modifications. These modifications are helpful in improving the working of our oil fields, whether it is exploration or production of crude oil. It has incidentally clarified certain other matters under which any party could come and search for oil without getting into any sort of confusion.

**Shri Narayanankutty Menon:** There is no quorum in the House. I may also point out that there is a meeting going in the Central Hall with the Speaker in possession of it. The 'House' is going on here; another meeting is going on there. It is highly objectionable and is a contempt of the House.

**Shri Braj Raj Singh** (Firozabad): No party meeting can be held in the Central Hall when the House is in session.

**Shri Shree Narayan Das:** It has been ruled by the Speaker that no quorum is required during the extended time of the sitting.

**Shri Braj Raj Singh:** No party can hold a meeting in the Central Hall now. I suppose it is in the possession of the Speaker.

**Mr. Chairman:** That is a different matter. I am informed that a convention has been established that after 5 P.M. there will be no counting of heads. Is that so?

**An Hon. Member:** That is correct.

**Shri Braj Raj Singh:** There is a question of propriety involved in this. Now the Speaker is supposed to be in possession of the Central Hall meeting. The question is whether a meeting of a party can be held there while the House is in session.

**Mr. Chairman:** I admit that it would be inadvisable to hold any such meeting at the time that the House is sitting. But it is a matter of propriety only.

**Shri T. B. Vittal Rao:** That meeting may be adjourned.

**Shri K. D. Malaviya:** I was referring to the comments made by a certain section of the House with regard to the so-called deviation from our existing policy of oil exploration. I do not think that there has been any deviation so far, nor is there going to be any deviation from the policy we are pursuing and which we have been pursuing. I want to make it quite clear that the Industrial Policy Resolution clearly laid down a certain set of conditions which are binding on the Ministry and beyond which we cannot go. I would advise my hon. friends to study the relevant portion of that Resolution, to which I have perhaps more than once referred in this House and the other House. What I would like to emphasise is that we realise it as much as many of the hon. friends who have raised this matter—and I am quite sure the House also realises—that oil is one of the most fundamental programme and as such it has to be controlled by Government.

We started oil exploration under governmental auspices. We have extended our activities. We are still expanding and, to our utmost capacity, we shall undertake the search for oil and production of crude oil that is discovered. We shall do as much of processing as we can. But, if, within our concept of policy, there are parties which are willing to come here and search for oil, I see no reason why we should not consider the proposals that are being made by them or are likely to be made by them. There has been some response as a result of our invitation. I do not know what will happen to these proposals. They are still under consideration of Government. I will be happy if we can come to some sort of arrangement with parties who would like to come and join us in this search for oil in this country with a view to discovering more oil as quickly as possible.

Now some hon. friends have criticised the working of the Indo-Stanvac project and even hinted....

**Shri Narayanankutty Menon:** May I seek a clarification on this point? Is the Government's attitude to the private parties confined to the exploration programme alone or with the whole collaboration be extended to production and distribution?

**Shri K. D. Malaviya:** This criticism which was levelled against the working of the Indo-Stanvac project, I think, is not justified. I take this opportunity to pay a tribute to the technicians who have been conducting search for oil in the Gangetic basin in West Bengal. I know that they have done their best and it will perhaps be very difficult even for technicians to criticise although there is legitimate ground to differ on the approach so far as one group of oil geologists are concerned. It is said that in oil, two geologists produce three theories. Whether it is the private company or whether it is the government oil exploration concern, it is an accepted assessment of the situation that there can always be divergent views about the way in which oil can be found in a particular suspected area.

Here, in West Bengal, they have done their best; and, unfortunately, both for us and for them, we have not been able to find oil. I wish we could have found some more oil and gas there to solve our own problems and to relieve the burden so far as the drain of foreign exchange is concerned. But, so far, we have not succeeded.

With regard to the way in which it was worked—I mean administratively or the agreements—there can be different views about it. But I do not wish to comment on that. All that I can say is that any future agreement with any party who wishes to come here will be strictly based on the two facts, that it is within the framework of the Industrial Policy Resolution and that the agreement is consistant with our national interests. Now, I see no difficulty in associating ourselves with such foreign companies as are willing to work under these conditions. This is surely no deviation from our existing policy.

My senior Minister reminds me of the remarks made in this connection by my hon. friend Shri T. C. N. Menon that the attempt is being made to drill barren holes in the West Bengal basin just to destroy the pressure of oil or gas field near about. This is a totally erroneous concept. Even if there are 100 barren wells bored in West Bengal, it would not affect an iota of the possibility of extracting oil and gas if they really exist there. All over the world there are too many barren holes to a successful hole and the pressure is not released as a result of drilling barren holes. I hope my hon. friend will have this impression removed. At any rate, we have now become sufficiently experienced to know whether our oilfields are being tackled properly or not.

**Shri Narayanankutty Menon:** I was pointing out the authority of the American Secretary of State during the Roosevelt Administration that in the colonial companies the same happened.

**Shri Narasimhan:** Let us not suffer from wishful thinking.

**Shri K. D. Malaviya:** Oil is so important for us that we cannot afford to neglect it. We are searching for oil at many places. We propose to increase our activities in the Third Plan period. We have a definite policy of search for oil in the country wherever we find it feasible and at as many places as we can conveniently take upon ourselves. With that end in view we have selected the northern portions of our country and the western portions, and also in Assam the Sibsagar area. We are examining the present conditions in

the Cauvery basin and we shall soon start some work in that basin also.

**Shri Narasimhan:** What work?

**Shri K. D. Malaviya:** Seismic work will be undertaken as soon as our seismic instrument arrives from abroad. We have placed orders and we hope we shall be able to get that in a couple of months. We shall soon organise a party and send it for a rapid survey of the underground conditions. If we are encouraged, we shall resort to drilling. We hope by the time we shall get some data from our seismic investigation we shall get a drill to be despatched to that area.

Therefore, our work will increase on every side. The whole strategy of oil exploration is, the more areas we tackle the greater are the chances for us to find oil and gas fields. In Cambay we have found out an oil field, and we hope to find some more oil fields round about the present structure. We have drilled many successful wells there. And, at a time when an oil explorer succeeds he must remember that he has to be humble in the claim and not claim too much.

**Shri T. B. Vittal Rao:** Why?

**Shri K. D. Malaviya:** Because there are difficulties which are not generally appreciated, and when I make a statement on behalf of the Government and on behalf of the Oil and Natural Gas Commission this statement is studied by oil experts all over the world.

I say that we have discovered an oil field, and I wish to state that this oil field is a commercially feasible oilfield. We are hoping to assess the quantity of oil and gas from this field. My difficulty in committing myself to any figure is that we have not been able to establish the gas-oil ratio in this field. Some well gives us more oil than gas, while the other well gives us more gas than oil. An average ratio between oil and gas has to be established before one can get an idea as to how much oil will be produced per year.

Nevertheless, Sir, I am very hopeful to start planning for a medium size refinery in that part of the country. When that preliminary assessment and planning work will start, it is difficult for me to say, but it is my hope that by the end of this year we may start the work of planning for a refinery based on Cambay crude oil. Now, if we plan for a refinery, say, of a million tons or half a million tons, we should so plan our programme of production of crude oil and the installation of refinery—they both go together. Remember, Sir, that we have to drill about 150 to 200 wells in the proved oil field. Once the exploratory wells have been drilled and the size and shape of the oil field has been established, it is easier for us to start production wells.

Our first well in Cambay took us 92 days to complete our fifth well has taken us about 32 days. We have improved the level of our efficiency, but I want to warn the House that we are still not as efficient as some of the most experienced oil experts of the world.

**Shri Narayanankutty Menon:** Is it not a fact that the first well took more days because the electrolytic equipment did not arrive in time?

**Shri K. D. Malaviya:** No, I am not referring to our difficulties with regard to availability of equipment. The first exploratory well always takes more time because we have to be very cautious, we have to be very slow in drilling, we do not know where we are going. After that we know more about the structure, and we start doing more. We are now taking roughly about 35 to 40 days. We hope we shall reduce the number of days to 25, although I have been insisting and trying to persuade the technicians of the Oil and Natural Gas Commission that they should not take more than 20 days. I do not know whether it can be done or not, but all that I promise to the House is that the Oil and Natural Gas Commission will do its best to increase its

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efficiency and to economise the working of our wells.

**Shri Thanu Pillai:** What is the distance between one well and the other?

**Shri K. D. Malaviya:** The greatest distance is perhaps 3½ miles between one well and the other. Or, it may be between 3.25 and 3.5 miles. There are wells which are situated within half a mile, one mile or one and a half miles of each other.

Howsoever tempted I may be to say something more about the Cambay oil, I would like to stop it there and would like to say, in two minutes, about another important aspect of oil, that is to say, pricing. I know that this question is agitating the minds of our economists and some others who are taking interest in oil and try to understand the economy behind oil. This question of pricing, as you know, is also mixed up in a way with the refineries, because once we know the economics of the refineries, we know the price conditions, also which govern the production of oil. We are bound by an agreement and this agreement has to be....

**Shri Narayanankutty Menon:** Honoured.

**Shri K. D. Malaviya:**..to be accepted. We cannot get out of our commitments. This refinery agreement governs the pricing system of all the petroleum products that we obtain from the refinery. It is not our intention to go back upon the agreement that we make with any foreign party or any party within the country. We shall honour the agreement. So far as we are concerned, it will be our duty to see that we do not create any condition of doubt in this respect. Nevertheless, I would say that after having gained these experiences I am not happy about certain clauses of the agreement. If there is any proposal to link up the prices with the existing agreement, surely, it will be very difficult for the Government to accept such a proposal. Our internal prices are, as is well known, linked to international oil prices in two ways. One is, the prices are those charged by the regular suppliers, mainly in our case, the middle east associates of the foreign-owned companies marketing those products in India. Since the middle of 1957, there are the so-called 'posted' f.o.b. prices published in the international oil journal named *Platt's Oilgram* for Ras Tanura, Abadan, in the Persian Gulf. Till then, there were such postings in the Caribbean and other major producing areas, but not the Persian Gulf.

Similarly, freight payable is regulated by the A.F.R.A. rate published once a quarter. The companies operating here are supposed to be bringing the deficit product imports mainly from the Middle East at these published rates which fluctuate from time to time.

Now, the point that I want to make and which does not make me happy is that we have to pay for freight charges also for the petroleum, products that we produce in Bombay. The freight element is, I suppose, to be included in it as if it has been brought from the Persian Gulf. Similarly, some other factors are included in it, which go to make the complex of a formula which govern the prices. As the House knows, we are trying our level best to get a modification in this price formula and we hope that with the co-operation of the foreign oil companies, we shall be able to change and modify this price formula.

The latest situation, in this connection, is, as you know, there is a glut. There is more oil today in the world than the world is consuming—crude oil and the finished products. The prices, therefore, are registering a low downward trend. There is information available to us to the effect that some of the oil companies are

willinginly giving good discount on the various products, which discount is not available to us, because according to the agreement, sky is the limit or the internationally quoted ceiling price is the limit. All these matters have to be considered and it will be our effort to reach a settlement with the oil refineries—the foreign companies—and also the distribution companies in such a way that we begin to feel that there is decidedly a change in their outlook.

**Shri Sinhasan Singh:** May I know whether any talk has been going on regarding this?

**Shri K. D. Malaviya:** It has been going on for sometime, as a result of which we had an *ad hoc* reduction in charge to the extent of about Rs. 40 crores. What further reduction is possible in this connection is a matter which is to be cons dered. Apart from this, the question of discount also has become quite important because, according to the reports published,

**17·52 hrs.**

[MR. SPEAKER *in the Chair*]

only over the last week, *Platt's Oilgram*, published in New York, has reported further advantageous deals in Japan with the Soviet Union, fall in internal prices in Denmark due to increasing entry of cheaper Russian crude oil and products, and in Italy similar cut, conditioned by the State-sponsored organisation there first introducing a price cut which the Companies had to follow, because—the journal reports—that Organisation could afford it due to a much larger quantity of Russian oil it imported in 1959 as compared to 1958.

The point I am making out is that there is more oil in the world and so prices are falling. We should get the advantage and there should be a reduction both in the price of crude oil and of finished products. All these factors are before us and we are quite conscious of the fact that we have to pursue this effort with our friends, who are helping us in supplying petroleum products and are running the refineries here to their advantage as well as to our advantage.

**Shri Khadilkar:** The Minister has said they are finding it difficult to reduce the price with the world monopolists. Has Government considered the question of importing petroleum products from sources outside the world monopoly, as for instance, from the Soviet Union?

**Shri K. D. Malaviya:** Unfortunately, so far as the refineries are concerned, according to the agreement, they supply all crude oil to themselves, process it and then supply finished production to their distributing companies. That is the position. If we have our own refineries under public sector we are free to get the crude oil from wherever we like.

**Shri Khadilkar:** My point is this As you are finding it difficult to get a reduction in the price from world monopolies, as a counter-measure, you are not debarred from importing petroleum products from sources other than the world monopoly sources

**Shri K. D. Malaviya:** My hon. friend knows that we are quite free to purchase petroleum products from any source that we like for our consumption, which is increasing With that end in view, we are already examining the question and the public sector oil distributing company which has recently been created, as negotiating with the USSR for the import of petroleum products. I do not know that the result will be, whether we shall be able to get petroleum products from there or not, we are making an effort to get cheaper petroleum products, which will have its own healthy effect on the prices everywhere. Now, whether we succeed in it or not is a matter for all of us to watch.

I have referred to the question of refinery being linked up with the prices As the House is aware, we

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are having two refineries in the public sector and there are three in the private sector, and all that would go to make up, for the time being, the oil which is more or less sufficient for us in so far as our requirements of petroleum are concerned, except kerosene and high speed diesel. Our consumption of high speed diesel and kerosene are going up and we are facing the problem how to deal with it. Now, the refineries which will come up are expected to take care of the increased consumption and we hope, with the co-operation of the oil companies, we shall find out a solution to the imbalances that have been created as a result of the unbalanced consumption all over the world and the deficits that we are facing would be wiped out. Even though these two refineries in the public sector will have to be run.....

**Shri Narayanankutty Menon:** I am sorry to interrupt the hon. Minister. He has referred to the negotiations for oil. But has he got even the skeleton of storage and distribution machinery? Unless he has got it, how is he going to distribute oil?

**Shri K. D. Malaviya:** I am glad that my hon. friend has reminded me of his own remarks in this connection, which I forgot. The position has been correctly stated by my hon. friend when he stated that at present public sector oil distributing company has not got any storage capacity, except those ones which we have recently got from the Defence Ministry. Now, it is not correct to say that the storage capacity of the Defence Ministry was handed over to some foreign companies. Except in one small instance, by and large, most of the storage capacity is now with us. We will be ready after a few days to receive some quantity, although that "some quantity" is not very much. Our programme of constructing our own storage tanks should be fastly realised and by the end of this year we hope to increase our storage capacity to quite a good level. We need not worry about storage capacity, so far as the quantities that are available to us are concerned.

I am quite sure that in this work of distribution of the petroleum products which we derive from one source or the other source, we shall have co-operation from all existing distributing companies. I hope there will be no complication in this, because after all the object of all distributing companies, including that of the public sector, is to get cheap petroleum products, as cheap as it can be, and distribute it to consumers.

In the end, I would like to come back to oil exploration activities in areas other than Cambay. Some of the hon. Members were anxious to know as to what we are doing in other areas. In Sibsagar we have started drilling. Our programme is to drill a large number of holes in the next year or so. Similarly, in Jwalamukhi area also we have started despatching drills and we hope we shall be completing three or four holes in 14 to 16 months from now. In the south of Cambay our activity of oil exploration has inreased quite a lot and we are looking with good prospects to find out some oil or gas there. If we get more oil or gas there, well, it will add to the quantity that we have already assessed in Cambay and Lunej.

**18 hrs.**

I have nothing more to say except to assure the House once more that the policy behind oil is intact and that we do not propose to deviate from the existing assessment of our policy. At the same time our consumption is going on at such a high level that we must search frantically for oil and to seek the co-operation of all those who are willing to come here and help us in this quest for oil on mutually acceptable consideration.

**Shri Narayanankutty Menon:** A very important question which I raised regarding the Oil and Natural Gas Commission has not been answered. When the Commission was made a statutory body by a Bill passed by this House a legitimate question came up that all those who were employees of the Government at the time when it was made a statutory body automatically lost their status as Government servants and all those things. The hon. Minister assured us on that day that the matter would be looked into and something would be done. But so far nothing has been done. What are you going to do now?

**Mr. Speaker:** I am not going to allow this question to be answered. I heard the hon. Member right through and allowed a lot of time to him. But it is not a matter which he raised.

**Shri Narasimhan:** He raised it.

**Shri Narayanankutty Menon:** I raised this question when I was speaking.

**Shri K. D. Malaviya:** I am sorry I missed this point. Unfortunately I have not got the papers, but Government have given the fullest consideration to this aspect of the question. No Government servant whose services have been transferred to the Oil and Natural Gas Commission stands to lose in any way. But there is only one aspect and that is that he wants to be called a Government servant and at the same time have all the advantages of the Oil and Natural Gas Commission. One cannot have it both ways. If he was a Government servant and wishes still to be a Government servant, it is open to him to come back and join the Geological Survey of India or the Indian Bureau of Mines. But if he remains there, the Oil and Natural Gas Commission sees to it that all his interests are protected or secured. The moment he wishes to come back to his parent department of the Government he is most welcome to come back. As a matter of fact, we intimated that. But the conditions of service in the Oil and Natural Gas Commission are so attractive, as I said, that this question has not been raised. It is only a psychological question which is rotating and disturbing the mind of some hon. friends there or some of the members of the staff who might have communicated such a view of theirs to my hon. friend there. But I assure you that their interests have been fully guarded and this question has been thoroughly gone into.

**Shri Palaniyandy** (Perambalur): May I know whether Government is going to conduct seismic tests in the Cauvery Basin this year?

**Shri K. D. Malaviya:** I hope so.

**Mr. Speaker:** We will proceed with this matter tomorrow. We have got the half-an-hour discussion. Is the House....

**Shri Ram Krishan Gupta:** (Mohindergarh): This discussion should be held tomorrow also so that some of us may get a chance. No one has spoken from my State.

**Mr. Speaker:** We started at 12-30 and have taken nearly six hours. Tomorrow we will have an hour.

**Shri Braj Raj Singh:** Many of the Opposition hon. Members have been left out. They could not speak. Fortunately nearly two hours were taken by the hon. Ministers.

**Mr. Speaker:** What can be done?

**Shri Braj Raj Singh:** Nothing. Some of the Opposition hon. Members should be allowed a chance.

**Shri P. C. Borooah** (Sibsagar): Nobody has spoken from Assam.

**Shri Ram Krishan Gupta:** No one has spoken from Punjab.

**Shri Rane** (Buldana): This question was raised....

**Shri Aurobindo Ghosal** (Uluberia): No one has spoken from Bengal also. Bengal is in the coal-bearing area.

**Mr. Speaker:** I will consider.

**Shrimati Parvathi Krishnan:** Extend the time.

**Mr. Speaker:** God alone can extend the time.

**Shrimati Parvathi Krishnan:** It is such a big Ministry.

**Mr. Speaker:** I do not know when we will take up the Finance Bill. That is all the difficulty. We shall consider. If we give some time more, the hon. Minister will take some time to reply....

**Sardar Swaran Singh:** Yes, Sir, if the House so desires, I will certainly take some time.

**Shri Ram Krishan Gupta:** We will take one hour.

**Mr. Speaker:** If the hon. Minister thinks that there is anything to reply, he can reply.

**Sardar Swaran Singh:** I will try to be as brief as I can. I will not ask for an hour. Less than that will do.

**Mr. Speaker:** I will extend it by one hour. The House is anxious to have one hour.

**An Hon. Member:** Two hours.

**Shri Rane:** This question was raised in the morning. We are short of time. The Finance Bill must be over by a specific date.

**Mr. Speaker:** We will give one hour to this Ministry and curtail the time elsewhere. If we do not have a half-an-hour discussion tomorrow, we shall try to sit till 6-30 tomorrow also so that the non-official work will go on till 6-30 p.m. That way we will have half an hour more.

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**18·05 hrs.**

## *RISE IN PRICE OF SUGAR

**श्री ब्रज राज सिंह** (फिरोजाबाद): अध्यक्ष महोदय, यह आध घंटे की चर्चा जो कि चीनी की कीमत में बढ़ोतरी के सम्बन्ध में आज होने जा रही है वह ७ मार्च, १९६० के प्रश्न संख्या ६५० को ले कर हो रही है।

**The Deputy Minister of Food and Agriculture (Shri A. M. Thomas):** If my friend can switch on to English....

**एक माननीय सदस्य** : हिन्दी में बोलिये।

**अध्यक्ष महोदय** : जैसे आप समझिये।

**Shrimati Parvathi Krishnan** (Coimbatore): The Minister can make a speech independently.

**An Hon. Member:** He can consult his Secretary.

**Mr. Speaker:** I would generally suggest this to hon. Members. Hon. Members are entitled to speak either in English or in Hindi in this House. The hon. Ministers are making every effort to speak in Hindi. As a matter of fact, in spite of all handicaps, Shri Krishnappa is making every effort to speak. But it is late in the age.

One cannot speak in other languages as fluently as one can in one's mother-tongue.

We have given this half-an-hour discussion, so that whatever clarification was not available during the Question Hour may be had now. If this also will not be clarified, because the Minister does not understand it, then another half-an-hour or one hour may have to be given.

The hon. Member knows both English and Hindi. There is no Hindi

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*Half-an-hour discussion.

examination here. Nobody doubts that the hon. Member knows Hindi. Therefore, he may speak in English.

**Shri Braj Raj Singh:** I have been adopting this method of expressing myself in this House in Hindi for certain specific reasons.

**Mr. Speaker:** That is all right. But this is an exception.

**Shri Braj Raj Singh:** But, Sir, as you have been pleased to say that the hon. Minister is not conversant with this language and it is perhaps difficult for him at this stage to learn this language, I have no objection to briefly mention certain points in English too.

This half-an-hour discussion has arisen....

**Mr. Speaker:** The hon. Member will have ten minutes. Any other Member will have one minute each, and the Minister fifteen minutes.

**Shri Braj Raj Singh:** This half-an-hour discussion has arisen out of the answer to Starred Question No. 650 given on 7th March, 1960. The burden of the half-an-hour discussion is that the prices in the country of sugar have been rising. We were given to understand by the Minister that we shall be having more production of sugar this year. I understand that the production of sugar this year might be more than last year by at least 4 lakh tons. Even then the price of sugar is rising.

I have got here this Bulletin of Agricultural Prices. The wholesale price of sugar in India in the market of Hapur, in the month of January was Rs. 43·55 nP per maund. In February it was Rs. 44.80 nP. In Muzaffarnagar, which is supposed to be in the heart of the sugar-producing area, the price in January was Rs. 42 per maund, while in February it was Rs. 47.28 nP.

This shows that in spite of the declarations of the Minister the price of sugar has been rising.

Not only this. As regards the retail price, much more disquiting news is coming to us. In Himachal Pradesh I was told that sugar was recently selling at Rs. 2 per seer. In Calcutta I am told that sugar is presently being sold at Rs. 1-10-0 per seer. In Punjab sugar is supposed to be selling presently at Rs. 1-6-0 per seer. And the strange thing is this. The ex-factory price of sugar in Punjab is Rs. 37.85 but the Punjab Government, who are distributing the sugar in the State, are selling it at Rs. 47 per maund, thus making a profit of Rs. 9·15 per maund, which is something very strange. Sugar as such is heavily taxed, and the taxes have to be paid by the consumer, but in Punjab, in addition to all this taxation realised on sugar either at the Centre or at the State level, the Punjab Government are making a profit of nearly Rs. 10 per maund in the distribution of sugar. So, I submit there should be a clear-cut policy on the part of the Centre. They should not allow the State Governments to make profit on the sugar allotted to them for distribution.

Questions with regard to the price of sugar, with regard to the price of cane, with regard to the export of sugar, have often been raised in the House, and the discussions have helped the position in the country somewhat. This year the production of sugar has gone up, as compared to last year, by at least four lakh tons. This will ease the situation somewhat, but I am sorry to mention that the people who are mainly responsible for the increase in production, the cane-growers, are not paid their due.

In spite of the demands of the sugarcane growers, in spite of the repeated demands made in the House, the Central Government did not agree to increase in the price of sugarcane. Whenever the demand was raised in the House, Government said the matter had been referred to the Tariff

[Shri Braj Raj Singh]

Commission for advice, but I am sorry to note from the report of the Tariff Commission that is now available that in the terms of reference there is no mention of the fixation of the price of sugarcane. The reference was only about the price of sugar, not about the price of sugarcane to be paid to the producers.

So, now the time has come when everybody has got to be satisfied about the prices to be paid for sugar and sugarcane. Unless that is done, the target of production fixed for the Second Plan or which we propose to fix for the Third Plan may not be reached.

It is said that by the end of the Third Plan we should have a production of 30 lakh tons. But if we proceed in this manner and the producers of cane are not satisfied we shall not be able to reach that target.

If sugar production has increased this year, it is only for the reason that Government did increase somewhat the price to be paid to the cane-growers. Had they not done it, the cane would have been diverted to either *gur* or *khandsari*.

Government have been helping the sugar industry at the cost of either khandsari or gur. We know very well that in this country the sugar industry, for at least 20 years, was granted protection, because of which the consumer had to lose not crores, but hundreds of crores of rupees. When the industry has been built up on the sacrifices of the consumer, we should now see that it is not allowed to thrive at the cost of a cottage industry like khandsari or gur. But I am sorry to mention that the policy of the Government of India seems to be that the sugar industry should thrive at the expense of the khandsari and gur industry. For, they are going to crush the gur and khandsari industry by making some laws by which within a radius of a few miles from a sugar factory, khandsari industry will not be allowed to be started or gur industry will not be allowed to be started, in order to ensure that the sugarcane shall not be diverted for gur-making. I submit that this is a very wrong policy. This policy will not only harm the khandsari and gur industry but will also harm the cause of the sugar consumer in India.

We should try to evolve a method by which we can have competition between these two industries, the gur and khandsari industry on the one side and the crystal sugar industry on the other. If we crush the khandsari and gur industry by giving protection again to the crystal sugar industry, we shall not only be crushing the cottage industry of gur and khandsari but we shall also be killing the interests of the sugarcane-grower and also harming the cause of the sugar consumer. So, I submit that there should be no ban on the establishment or starting of gur or khandsari units even within an area in which there are crystal sugar factories.

I would also like to impress upon Government the fact that the sugar industry has been able to reap sufficient profits during the period when protection was given to them. Now, the time has come when the sugar industry should be nationalised. Government may come forward and say that there is the Industrial Policy Resolution of 1956, and they are bound by that resolution, and, therefore, they cannot nationalise the sugar industry. I was amazed to see in the Tariff Commission's report the recommendation to the effect—and Government have also accepted it—that the profits that are allowed to the sugar industry should be 12 per cent on the employed capital. So, far, they were getting only 10 per cent. The time has come when it should be reduced to 6 per cent, but the Tariff Commission have recommended, and Government have

accepted it, that the industry should be allowed to have a profit of 12 per cent on the employed capital. This again would mean exploiting not only the consumer but also the sugarcane-grower and the khandsari and gur industry.

So, I would submit that if Government are bound down by the Industrial Policy Resolution of 1956, and they cannot nationalise the sugar industry, they can at least find out a *via media*, and that *via media* has been given in the Nagpur resolution of the Congress Party whose Government happens to be in power here. That resolution is regarding the co-operative sector. If they cannot nationalise this industry, they can at least bring them under the co-operative sector. There is no difficulty about that. They can do it in this manner. They can give the new factories which are going to be started to the co-operative sector. Wherever the cane-growers come forward and want to have the unit in the co-operative sector, they may be permitted to do so. Similarly, if new factories are going to be started, and surely, Government will start some new factories in the Third Five Year Plan period, they can be started under the co-operative sector and not under the private sector. In this manner, if Government agree to bring the sugar industry under the co-operative sector, many benefits will accrue to Government, to the consumer, to the cane-grower and to the cottage industry of khandsari and gur. But I am afraid the policy of Government seems to be to help the sugar industry and they want to help only about 140 or 150 people all over India who own this sugar industry.

I would submit that if there are any difficulties, and they cannot go beyond the 1956 Industrial Policy Resolution, at least, they can bring the units under the co-operative sector. They can give the already established factories in the areas in which they have been working since long, to those cane-growers who are prepared to take those factories and run them, and they can start factories elsewhere where no factories exist at present, but during the Third Five Year Plan when they are going to establish new factories, they must give them only to those people who want to start them under the co-operative sector.

In this manner, they shall not only be able to satisfy the cane-grower, the consumer and the cottage industry of gur and khandsari, but shall also be able to prove to the country that the co-operative sector will not be a failure. So, I submit that the Minister should consider this matter.

Then there is another point. Whenever the question of distribution of sugar is raised in this House, the Minister easily and comfortably says that it falls within the purview of the State Governments and he cannot help it. But he can do at least one thing. I mentioned in my speech earlier that the Punjab Government are reaping a profit of near about Rs. 10 per maund. I am told the West Bengal Government are also making some sort of profit. So the Government should at least do one thing. If they think that the production of sugar is more this year than the previous year by 14 lakh tons, they could remove control from the distribution of sugar. But so long as the mill-owners are not able to behave properly, they should not remove control over the ex-factory price. They should have control over the ex-factory price. Under the recommendation of the Tariff Commission, this price has already been fixed at a figure higher than it should have been. I feel that at least Rs. 5 could be cut down from the ex-factory price which has been fixed by Government and that amount could go to the cane-grower.

In this connection, I would like to make one more point with regard to the price to be paid to the cane-grower. If they are not able to bring

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the factories under the co-operative sector, then Government will have to satisfy the demand of the cane-grower which is that Rs. 2 per maund should be paid to him. Now he is paid only Rs. 1-10-0. Government have adopted a certain price linking formula which will not give to the cane-grower an addition of more than 2 annas per maund, which comes to Rs. 1-12-0 per maund. If Government agree to pay Rs. 2 per maund to the cane-grower, the price of sugar will not be increased by more than Rs. 5 per maund. I have just now submitted that the Tariff Commission's report already shows that whatever the cost price of sugar, they have by certain methods increased it by Rs. 5 per maund by fixing the ex-factory price that much higher. If this is cut and an increase in price per maund of sugarcane of 6 annas or 4 annas is given, the price of sugar could not increase.

We should see that there is no dearth of sugar in the country and that everybody gets sugar according to his needs. I am sure that the production which we are going to have this year will be able to meet the demand of everybody in the country, and we can remove control from distribution. But we can keep the control on the ex-factory price. We know that when the late Shri Kidwai was in charge, he had a gentleman's agreement with the millowners, the factories. That agreement was not observed by them. So we should keep control there.

I hope the Minister will keep all these points in mind when replying.

**Mr. Speaker:** Only references have to be made to four or five points for clarification. The half-an-hour discussion is not intended for being used as if it is a regular debate.

Shri S. L. Saksena will ask a question.

**Shri S. L. Saksena** (Maharajganj): When the price of sugar is fixed at Rs. 37·85 per maund, why is it that the West Bengal Government has fixed the selling price at Rs. 60 per maund and the Punjab Government is selling it at Rs. 50 per maund? They purchase it at the rate fixed and sell it at a higher price making a profit of about Rs. 26 per maund for themselves. This is something which is atrocious. If this so, the Government of India could raise the excise duty and get money for the Five Year Plan, or the U.P. Government could raise the cess for financing their Plan. That these Governments should make this profit in this way is something that is extraordinary.

**Mr. Speaker:** Indirectly.

**Shri S. L. Saksena:** Now the Report of the Tariff Commission is published. I hope you will allow a discussion on it on a day because it is very fundamental.

**Mr. Speaker:** Very well.

**Shri S. L. Saksena:** The country has practically been looted by the sugar industry and Government. In Saurashtra, sugar is selling at Rs. 100 per maund, in Indore at Rs. 70 per maund and in Bombay rural areas at Rs. 60 per maund.

**Mr. Speaker:** He wants to know why is it that there is such a difference in price and why the State Governments are allowed to put up the price in their own way.

**Shri S. L. Saksena:** Yes, Sir.

I would only request you that if you permit a full day's discussion on the Tariff Commission Report we will be able to bring out all these points.

**Shri Sinhasan Singh** (Gorakhpur): When the sugar industry is a controlled industry and is being administered by the Centre how is it that

ex-factory prices fixed by Government are not adhered to? May I know whether the factory owners sell at that very price or they sell at some other price and what margin of profit is allowed to the middlemen? If they have not fixed any margin of profit for the middlemen why is it that they have not fixed it?

The other point is this. Government have in a way banned the putting of crushers for making gur and khandsari in sugar-mill areas. The sugarcane areas are bound to have their own gur-making process, or khandsari. But when the mills fail to take the sugarcane they get nothing. If I say I am growing so much of sugarcane and I fail to supply all that there is a penalty placed on me the sugarcane-grower. But if the mills fails to take the entire sugarcane there is no penalty clause. How is Government reconciling these two things?

**Shri A. M. Thomas:** Mr. Speaker, Sir, this discussion has been raised at a time when I should venture to state that there has been an all-round improvement. The situation has eased considerably. *(Interruption)*. However, I welcome this opportunity for giving to the House the correct position that is obtaining now. I am glad to report that the picture that I can now present to the House is a little more comfortable than the one that my senior colleague was able to place before the House a fortnight ago when he was replying to the discussion on food.

My hon. friend who raised this discussion has stated that production this year may, perhaps, be about 4 lakh tons more than that of last year. That itself indicates that the steps that we have been taking yielded results and the figures with me indicate that production up to 31st March, 1960 has been 20.56 lakh tons as compared to the figure of 16.97 lakh tons in the corresponding period of last year. So, it is more by about 3:59 lakh tons. That is a very encouraging picture. Although it is too early to state the precise position of production, we hope we would be able to reach roundabout 23 lakh tons this year when the sugarcane season is over.

The House knows that the target of production fixed for the Second Five Year Plan with the installed capacity of 25 lakh tons is about 22.5 lakh tons. So, this year we are in a position even to over reach that target that has been fixed, under the Second Five Year Plan. The production has exceeded even the earlier record of 1956-57, that is up to March 31, 1957, when 20.29 lakhs had been produced in the whole season of 1956-57. Hon. Members will recollect that the year 1956-57 was a year of record production in the matter of sugar. But by about this period we have been able to exceed even that record figure that we were able to achieve in the year 1956-57. 16 factories in Western U.P. where the problem of diversion of cane to gur and khandsari manufacture is rather acute have voluntarily increased, from the month of February, the cane price by -|2|- per maund.

**Shri S. L. Saksena:** They have now reduced it again to Rs. 1-10-0.

**Shri A. M. Thomas:** I just mentioned this fact to indicate that the incentive we have given has led to increased production which has led to a better return to the grower. I mentioned this figure only to indicate that. Even in Eastern U.P. I understand one factory has been able to increase the price of sugarcane by one anna over and above the minimum price.

**Shri S. L. Saksena:** Which factory?

**Shri A. M. Thomas:** It is a factory in Faizabad District in Eastern U.P.

So, Sir, I may even state that we are in a position to say that we are turning the corner in the matter of

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production of sugar in this country. It is interesting to go through the statistics showing the trends of production and consumption in this country especially having regard to the trends in post-Independence India. Consumption of crystal sugar has practically doubled in the last ten years.

**Shri Braj Raj Singh:** That we all know.

**Shri A. M. Thomas:** The fact that consumption has doubled has also to be taken into consideration. I am also glad to say that the production also has doubled. So it is both consumption and production, so to say, proceeding side by side satisfactorily. Shri Braj Raj Singh said that some three or four years back we had a better situation, but we have also to take into consideration the fact that in the course of two or three years we imported to the extent of 14 lakh tons. Now the question of import is a matter of past history. The Minister has categorically stated that we are not going to import any more, this country is in a position to produce the sugar required for the consumption requirements of the people.

I would say that these factors, that the consumption requirements are going up, the supply position was not catching up till quite recently, also have to be appreciated, and hon. Members have also to show a little more understanding when they discuss this question of prices.

In the very same answer to the question I have made mention of the fact that the question of distribution is the responsibility of the State Government. I would respectfully ask, Sir, whether it would be possible for the Centre to have a far-flung machinery to effect distribution in this matter. It is only possible to depend on the various State Governments. Of course, we will be in a position to come forward when they seek our help in times of difficulties. For example, the State Governments may ask for additional quota because of a particular festival or a particular season in which the sugar off-take may be a little more. In such cases we may be in a position to make some marginal adjustments. Apart from that, we have to manage with the production that we have got in this country. We have also allotted to the various States sugar according to their past consumption figures. It is not arbitrarily done. We had looked into the consumption figures of 1958 to fix the quota for the various States.

Sir, the Government has adopted certain measures such as licensing of wholesale dealers, and authorising the District Magistrates to fix prices of sugar allotted from factories in the controlled areas of U.P., Bihar and Punjab to wholesale dealers. My hon. friend just raised a point that the Punjab Government is charging some margin or something like that. We do not approve of that. It is left to the State Government. When they think they are having a sort of State trading in the matter of sugar they think they are entitled to have some margin for the State Exchequer.

**Shri Braj Raj Singh:** That is disfiguring State trading.

**Shri A. M. Thomas:** Since July 1959, the Government has been assigning specific quotas to individual States and has banned inter-State movement of sugar to ensure that quotas allotted are available for consumption within the respective States. The State Governments sub-allocate their quotas to the districts. The allotment from controlled regions is made by the Centre only to those licensed wholesalers who are nominated by the State Governments or the district authorities. It is understood that now, in all the States, except in Delhi, where there is no

need at present, sugar is distributed under the supervision of district officers through co-operatives, fair price shops and approved retailers at prices approved by them on the basis of the landed cost of sugar from Uttar Pradesh and North Bihar factories. At such shops, the price of sugar ranges between Rs. 1 at some places in Uttar Pradesh and Rs. 1.15 per seer for medium-grade sugar in different parts of the country except in areas far off from rail-heads such as Kashmir valley and interior parts of Himachal Pradesh, Orissa and Assam. Some sugar, however, finds its way for sale at higher prices but such sales are comparatively small.

In this connection, it is necessary to appreciate a special feature of sugar. Unlike foodgrains, there is great disparity in the consumption of sugar between the well-to-do and the poorer classes. It is difficult to cater for these in any system of controlled distribution with the result that those who want more sugar and can afford to pay higher prices, try to meet their requirements from what is called the open market.

According to information received from Punjab, Madhya Pradesh, Kerala, Mysore, Orissa, Bihar, Bombay, Rajasthan, Uttar Pradesh and Himachal Pradesh, the prices have been generally at reasonable levels. In West Bengal—my hon. friend referred to the case of West Bengal in particular—that is in Calcutta, the prices had displayed an upward trend in November, December and January, and they had touched Rs. 49 per maund in December and even Rs. 60 per maund during January. From 20th January, the State Government introduced a scheme for controlled distribution of sugar from fair price shops and selected retailers. Importers who import sugar from Uttar Pradesh and North Bihar at Rs. 39.85 per maund for Kantapukur sheds where they have godowns, supply sugar to wholesalers at Rs. 40.85 ex-godown, and wholesalers sell it to the retailers at Rs. 41.85 per maund. The retail price fixed is Rs. 1.10 per seer. As a result of this scheme, the situation is represented to have improved very considerably. An additional allotment of 2,000 tons was made to West Bengal during each of the months of December, 1959, February and March, 1960, besides the normal monthly quota of 16,800 tons to help the State Government in keeping the prices under control. For the month of April, the additional allotment, we have given 3,000 tons more to West Bengal, over and above the normal quota of 16,800 tons.

**Mr. Speaker:** It was said that each State is increasing the prices and selling it in the market. It was said that Rs. 100 was the price charged in some place, and so on. Is it a fact?

**Shri A. M. Thomas:** That question raises a more fundamental question.

**Mr. Speaker:** What is the fact, apart from the question of principle?

**Shri A. M. Thomas:** In fact, the prices differ from State to State. For example, in Bombay and in the South, the prices are regulated by the landed cost of Uttar Pradesh sugar.

**Mr. Speaker:** The simple position is this: When sugar is sold at places which are in proximity to the source of the product, the freight and other charges would not be as much as for the sugar which is sold at distant places. Barring this, which is natural, is the difference in price due to any increase that is imposed by the action of the State Governments?

**Shri A. M. Thomas:** That is not quite correct.

**Shri Braj Raj Singh:** It is not correct for Punjab?

**Shri A. M. Thomas:** With regard to other States, such as Bombay, and in the South, we just allot sugar to their nominees so that they are not taking any profit at all expect perhaps

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in Punjab, where the State Government itself makes the distribution and has undertaken the responsibility of distribution. I do not know whether they are charging any extra profit which may ultimately go to the State exchequer. Apart from that, we are not aware of any additional cess or levy for distribution purposes.

**Shri S. L. Saksena:** Both in Punjab and West Bengal it is there.

**Shri A. M. Thomas:** I have just described the method of distribution adopted in West Bengal. It gives no room for the State Government to charge anything.

The current ex-factory controlled prices in U.P. and North Bihar are Rs. 37.85 per maund, Rs. 38.35 in Punjab. With effect from 4th April, 1960, price has also been fixed for South Bihar factories at Rs. 38.35 per maund. That is just the figure existing in Punjab and allotments will hereafter be made from factories in this region as from factories in other controlled regions. The report of the Tariff Commission has been released and Government are satisfied that the present control prices do not call for any change. The control prices include Rs. 16.70 on account of excise duty and about Rs. 2 per maund as cane cess.

My friend, Shri Sinhasan Singh, asked about the middleman's margin and other things. District officers all over the country have been authorised to fix prices of sugar allotted from these regions after taking into account two or three factors, *viz.*, (i) the ex-factory price paid or payable to the sugar factories supplying the sugar; (ii) the actual transport charges incurred; (iii) any octroi or other tax paid or payable and (iv) a sum not exceeding Re. 1 per maund for profit and incidental charges. The wholesale prices and hence retail prices vary from place to place depending upon the landed cost of sugar from U.P. and North Bihar factories and local conditions.

I am told Punjab is charging roughly 64 nP per maund as surcharge. The retail price is Rs. 1.05 per seer. So, my hon. friend's information is not quite correct.

**Shri S. L. Saksena:** It can be proved.

**Mr. Speaker:** That is the interpretation of the hon. Minister.

He may pass on the proof to him.

**Shri A. M. Thomas:** Then, my friend expressed the fear that we may lift all the controls and then there will again be rise in prices. The matter has been made clear on the floor of the House several times. The industry had approached the Government to lift the price and distribution control with a view to maximising sugar production. The matter was considered and it appeared that the prices would rise much above the present controlled level soon after de-control and this would cause hardship to a large majority of the consuming public. The industry might also earn large profits without commensurate benefit to others. It was, therefore, decided to defer consideration of the matter until a more propitious time. The trends are really encouraging and if we are in a position to have some reserve stocks and carry-over time we may consider this question at a proper time. But the hon. Member may rest assured that the Government of India has not taken any decision to lift controls.

My friend also raised the question of sugarcane prices. This matter was discussed on the floor of the House on several occasions. Even a cut motion was moved by one of my friends in the opposition. This question was raised on 23rd November, 1959, and also on 17th December, 1958, when the motion moved by Shri Vajpayee for raising the price to Rs.

2 per maund was negatived. My hon. friend knows it, and even then he is not satisfied. Although the price for the season 1959-60 has been fixed and announced by the Government in 1959, the suggestion made by the U.P. and Bihar Government was considered. Taking all aspects into consideration, *viz.*, interest of the growers, consumers and over-all agricultural economy and repercussions of undue rise in prices on the Five Year Plan, it was thought the price may be raised by 3 annas per maund. It was, therefore, decided to raise the minimum price from Rs. 1.44 to Rs. 1.62 per maund for delivery at gate and from Rs. 1.31 to 1.50 per maund for delivery at purchasing centres connected by rail with effect from 25th October, 1959.

**Shri Sinhasan Singh:** Just now the hon. Minister has started that two factories have paid two annas over and above the price and still the ex-factory price of sugar remained the same. That shows that they can afford to pay two annas more and still make some profit.

**Shri A. M. Thomas:** In fact, I have referred to this fact during question Hour some time back. Government have decided to continue the existing minimum price of sugarcane during the year 1960-61, i.e., Rs. 1.62 per maund for delivery at gate and 1.50 per maund for delivery at purchasing centres connected by rail. In addition, the growers would be entitled to a deferred payment according to the Price Linking Formula, if found due. Under the Price Linking Formula they get concessions for early crushing and rebate on excise duty and other benefits.

**Shri S. L. Saksena:** Have you a formula?

**Shri A. M. Thomas:** Yes.

**Shri S. L. Saksena:** Can you show it to us?

**Shri A. M. Thomas:** We have applied the price linking formula and given them these concessions.

It may be mentioned that even at the above price sugarcane cultivation given a better return than the cultivation of food crops and if the price of sugarcane is raised further, it might weigh the scale against food crops. We should not do something which would discourage food production and cause discontent amongst the farmers about the prices of foodgrains. In fact, we are not very much worried about the diversion to sugarcane cultivation. We must have due regard to the prices of other competing crops. Our Minister has made it clear when he said that he was not afraid of diversion.

Now I do not want to tire the House with too many figures, nor do I want to take more time of the House.

**Shri Braj Raj Singh:** What about the co-operative sector?

**Shri A. M. Thomas:** Our object has been to encourage the formation of co-operative sugar factories, as should be seen from the licensing policy that has been adopted. My hon. friend has just now referred to the fact that we are helping sugarcane industrialists and that only 100 people or so have been benefited. I suppose that my hon. friend has gone through the Report of the Tariff Commission, in which it is stated at page 13:

> "According to the eleventh census of Indian Manufacturers 1956, the number of persons employed during the season 1956-57 in 158 factories which submitted their returns to the Director of of Industrial Statistics were 1,23,303 . . .".

**Shri Braj Raj Singh:** They are workers.

**Shri A. M. Thomas:** Yes. It reads further:

"...and the balance 19,318 were other staff. The amount of salaries, wages and benefits distributed to these employees amounted to Rs. 11,89,00,000".

So, Rs. 11·89 crores were distributed as salaries and wages.

**Shri Braj Raj Singh:** I was referring only to the sugar magnates.

**Shri A. M. Thomas:** So, it is not correct to say that we have not paid due regard to the interests of the growers. We pay due regard to all the interests concerned, including growers. That is all what I want to say.

**18.50 hrs.**

*The Lok Sabha then adjourned till Eleven of the Clock on Friday, April 8, 1960/Chaitra 19, 1882 (Saka).*

[*Thursday, April 7, 1960/Chaitra 18, 1882 (Saka)*]

ORAL ANSWERS TO QUESTIONS . . . . 10043—81

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| 1862 | Lady Irwin College, New Delhi | 10103-04 |
| 1863 | Iron and Steel Advisory Committee | 10104 |
| 1864 | Institute of Bio-Chemistry and Experimental medicine, Calcutta. | 10104-05 |

COLUMNS

PAPERS LAID ON THE TABLE . . . . 10105

(1) A copy of Notification No. G.S.R. 322, dated the 19th March, 1960, under sub-section (2) of Section 3 of the All India Services Act, 1951, making certain amendments to the All India Services (Medical Attendance) Rules, 1954.

(2) A copy of Notification No. S.O. 650, dated the 14th March, 1960, under Section 43 of the Copyright Act, 1957, making certain amendment to the International Copyright Order, 1958.

REPORT OF ESTIMATES COMMITTEE PRESENTED 10106

Eighty-third Report was presented.

DEMANDS FOR GRANTS 10106—10266

Discussion of Demands for Grants in respect of the Ministry of Steel, Mines and Fuel Commenced. The discussion was not concluded.

COLUMNS

HALF-AN-HOUR DISCUSSION . . . 10265—86

Shri Braj Raj Singh raised a half-an-hour discussion on points arising out of the answer given on the 7th March, 1960 to Starred Question No. 650 regarding rise in price of sugar.

The Deputy Minister of Food and Agriculture (Shri A. M. Thomas) replied to the debate.

AGENDA FOR FRIDAY, APRIL 8, 1960/CHAITRA 19, 1882 (SAKA)—

Further discussion on the Demands for Grants in respect of the Ministry of Steel, Mines and Fuel, discussion on Demands for Grants in respect of the Ministry of defence and also consideration of Private Members' resolutions.

GMGIPND—L.S. II—105 (Ai LS—16-4-60—950